

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. SECRET SERVICE



STATEMENT FOR THE RECORD

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ON THE

**SECRET SERVICE'S DUAL MISSION
AND INAUGURAL SECURITY**

BEFORE THE

**COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY**

U.S. HOUSE OF REPRESENTATIVES

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INTRODUCTION

Good afternoon Chairman Price, Ranking Member Rogers, and other distinguished Members of the Committee. On behalf of the men and women of the Secret Service, it is a privilege to appear before you today to discuss the extraordinary work and multi-agency planning, coordination, and cooperation that resulted in a very successful year for our agency. When I appeared before the Committee last year, the Secret Service was in the middle of a historic presidential campaign. Some of the challenges we faced as an agency included the increased travel, staffing, and equipment demands associated with a competitive primary contest that lasted until June 2008, massive crowds at campaign rallies across the country for sustained periods of time, and numerous international travel stops by our protectees.

Although substantial resources were needed to address the unprecedented demands of the 2008 Presidential Campaign, our special agents, Uniformed Division officers, and administrative, professional, and technical support staff never missed a beat. Whether it was adjusting the security plan for the Democratic National Convention (DNC) in Denver, Colorado to accommodate the use of an additional venue (INVESCO Field), securing presidential transition offices in two different cities, or disrupting one of the biggest financial crime cases in our country's history, the men and women of Secret Service rose to meet the challenge.

In fiscal year (FY) 2008, the Secret Service provided protection at 5,141 travel stops for our protectees and 2,100 travel stops for visiting foreign dignitaries. Within these stops, there were 1,857 candidate/nominee travel stops, which represented a 69 percent increase over the 2004 Presidential Campaign. During the 2008 Presidential Campaign, more than 4,500 magnetometers were used by Secret Service Uniformed Division officers and Transportation Security Administration (TSA) security officers to screen over 4.2 million people. This was a 77 percent increase over the number of people screened during the previous campaign. Since both the DNC and Republican National Convention (RNC) in St. Paul, Minnesota were designated National Special Security Events (NSSEs) by the Secretary of Homeland Security, the Secret Service assumed its role as the lead federal agency responsible for the planning, coordination, and implementation of the operational security plan. As part of the security plan for these events, the Secret Service screened more than 480,000 people and produced a total of 24,500 credentials for law enforcement and public safety personnel.

The Secret Service has a long, successful record when it comes to securing NSSEs. The recent Presidential Address to a Joint Session of Congress on February 24, 2009, was the 33rd NSSE held since 1998, when the designation was first established. Other recent NSSEs included the 2008 State of the Union, the G-20 Summit on Financial Markets and World Economy, and the events surrounding the 56th Presidential Inauguration. Although not designated NSSEs, the Secret Service performed similar duties for three presidential debates, one vice presidential debate, the first visit to the United States by Pope Benedict XVI, the 63rd United Nations General Assembly, IMF/World Bank

meetings, the North American Leaders Summit, as well as hundreds of protective travel stops held at large-scale venues.

While the impact of the 2008 Presidential Campaign and related activities was felt throughout the organization, the Secret Service continued to perform our investigative mission in an exemplary fashion. In FY 2008, our field offices conducted 10,008 protective surveys which represented a 24 percent increase over FY 2007. During this same time period, Secret Service field offices around the world closed 7,303 financial crimes, counterfeit, and other criminal cases which resulted in 8,294 arrests. In addition, special agents in the field also closed 3,036 protective intelligence cases which resulted in 109 arrests of individuals possibly representing a danger to our protectees. We also worked over the past year to strengthen our excellent partnerships with United States Attorney offices, and sustained a conviction rate of 99.6 percent for cases that went to trial. On the domestic front, \$64.4 million of counterfeit United States currency was reported passed on to the public this past year, while \$8.5 million was seized before it entered public circulation. Internationally, \$6.4 million of counterfeit currency was reported passed and \$31 million was seized. These seizures included the suppression of 294 counterfeit plants.

Also in the past year, the Secret Service made progress on several large-scale projects that were funded with the support of the Committee. The relocation of the Joint Operations Center (JOC), which was driven by the ongoing modernization of the Eisenhower Executive Office Building (EEOB), is scheduled to be completed this summer following an operational testing phase. As of February 2009, major construction of the new White House mail screening facility was 60 percent complete, and is currently ahead of a scheduled January 2010 completion. Although it has been a number of years since the anthrax and ricin letter attacks, the Secret Service is vigilant about the possible introduction of biological or other hazardous agents entering the White House Complex through the mail system. During FY 2008, nearly one million pieces of mail and other parcels were screened for hazardous materials to ensure the safety of those who live, work, and/or visit the White House Complex.

PRESIDENTIAL TRANSITION

After the 2008 Presidential Campaign came to a close, the Secret Service's workload continued at an accelerated pace. Following the general election, Secret Service special agents and Uniformed Division officers staffed presidential transition offices in Washington, DC and Chicago, Illinois. The Secret Service worked closely with the Metropolitan Police Department (MPD), the District Department of Transportation (DDOT), the Chicago Police Department, the General Services Administration, the Department of Justice, and other law enforcement and public safety entities to provide a secure environment surrounding the transition offices. During this period, the Secret Service cleared approximately 4,000 appointments through the Worker and Visitor Entrance System (WAVES) in Washington and approximately 100 staff and 10 guests per day at the Chicago location.

During the 2008 Presidential Campaign and transition, the Secret Service continued to conduct protective intelligence cases directed towards our protectees. As the international, domestic, and individual threat environment of the country was elevated during this period, so too was the threat environment for Secret Service-protected individuals, venues, and infrastructure. Since these trends remain at high levels, the Secret Service will use designated funds provided in the Omnibus Appropriations Act, 2009 (P.L. 111-8), to hire and train additional staff to evaluate the increased volume of threat information received related to the new President, Vice President, and their families, as well as all other protected individuals, venues, and infrastructure under our agency's protection. In addition, the Secret Service will increase the number of Counter Assault Teams to ensure coverage for the President and his family while maintaining coverage for former President George W. Bush. These specialized teams deploy personnel, weapons, and tactics to immediately divert, suppress, and neutralize attacks by terrorist or other organized groups which give the protective detail time to safely evacuate the protectee(s). The Secret Service will also make adjustments to provide additional Counter Surveillance Unit support to the President and Vice President, and to their immediate family members as appropriate. These specialized units are critical to the Secret Service's preventative approach to protection as they can observe and report pre-attack behaviors and disrupt threats, from the lone assassin to an organized terrorist group.

Post-Presidency Protective Detail and the Former Vice President Protection Act of 2008

In addition to the staffing and tactical adjustments that are necessary for the current President, Vice President, and their families, the Secret Service has successfully established a new Post-Presidency Protective Detail for former President George W. Bush and former First Lady Laura Bush. The funding approved by Congress in FY 2007 and FY 2009 allowed for a seamless transition of this protective coverage.

To provide permanent statutory authority for the Secret Service to protect Vice Presidents and their families after they leave office, Congress passed the Former Vice President Protection Act of 2008 (P.L. 110-326) last year. This bill, which was signed into law on September 26, 2008, provides Secret Service protection to the former Vice President, and his wife, for up to six months following his departure from office on January 20, 2009. The legislation also authorizes the Secretary of Homeland Security to extend Secret Service protection beyond six months if conditions warrant. Since the bill was enacted after submission of our FY 2009 budget, I am grateful that the Omnibus Appropriations Act, 2009, provides funding for the Secret Service to cover the added cost of protecting the former Vice President and his wife for this six month period.

Impact on the James J. Rowley Training Center

The additional training that will be done at the James J. Rowley Training Center to accommodate these staffing and tactical adjustments will put further stress on a physical plant that is in need of emergency repairs. A Secret Service report submitted to Congress in September 2007, which was approved by the Department of Homeland Security and

the Office of Management and Budget, identified roughly \$13 million in backlogged maintenance and noted urgent problems such as "...the failure to back feed campus structures during electrical outages; sewer lines that are undersized and not capable of carrying discharged effluent; and a water tank that is too low in height and cannot provide the water pressure required to sustain fire sprinklers."

While the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (P.L. 110-329), provided an additional \$250,000 to partially fund inflationary cost increases at the James J. Rowley Training Center, I am pleased that the Omnibus Appropriations Act, 2009, provides the robust funding needed to return the facility to a state of good repair.

INVESTIGATIVE ACCOMPLISHMENTS

Despite the heightened pace of the 2008 Presidential Campaign, numerous NSSEs, and the presidential transition, the Secret Service had an extremely successful year with our criminal investigative program as well. As I have testified to in the past, the Secret Service's investigative mission has evolved from a narrow mandate to eradicate post-Civil War counterfeiting 144 years ago, to a broader authority to protect American consumers and industry from financial fraud. In addition to digital counterfeiting, today's criminal participates in credit and debit card fraud, mortgage fraud, financial institution fraud, and other illegal activity that seeks to undermine our country's financial payment systems.

The Secret Service maintains statutory authority to investigate criminal violations relating to the counterfeiting of obligations and securities of the United States (18 U.S.C. §§ 470 - 474); financial crimes such as access device fraud (18 U.S.C. § 1029), financial institution fraud (18 U.S.C. § 1344), and identity theft (18 U.S.C. § 1028); and computer-based attacks on the nation's financial, banking, and telecommunications infrastructure (18 U.S.C. § 1030).

In the past three years, the Secret Service has observed a significant increase in the quantity, quality, and complexity of cases targeting financial institutions in the United States. Criminal trends show a marked increase in data breaches, mortgage fraud, and other financial fraud schemes. For example, from FY 2006 to FY 2008 the Secret Service noted a 47 percent increase in the number of mortgage fraud cases opened and investigated in the United States. These cases account for nearly \$81 million in losses to our financial institutions with potential losses in excess of \$247 million. In FY 2008 alone, the Secret Service arrested and indicted 5,633 individuals responsible for \$442 million in fraud loss directed at our financial institutions. These crimes are both national and transnational in nature and have placed additional burdens on our banking system.

Through our established network of 24 Electronic Crimes Task Forces (ECTFs) and 35 Financial Crimes Task Forces (FCTFs), the Secret Service has successfully combined the expertise and resources of federal, state, and local law enforcement with the private sector and academia to combat threats, including cyber threats, to our financial payment

systems. In addition to these established domestic partnerships, the Secret Service also partners with our international law enforcement counterparts to investigate, indict, and arrest criminals targeting our financial institutions while operating overseas. As part of the Secret Service's overall investigative effort, approximately 40 percent of our special agents assigned to our Office of Investigations have received at least one of the three levels of training provided through our Electronic Crimes Special Agent Program (ECSAP). These trained special agents have proven themselves invaluable when it comes to the successful prosecution of criminals engaged in bank fraud, mortgage fraud, access device fraud, identity theft, and other crimes targeting our financial institutions. ECSAP training has proved so effective that it is now part of the Secret Service's core curriculum for newly hired special agents.

The Secret Service is convinced that building trusted partnerships with international, federal, state, and local law enforcement, the private sector, and academia is the right model for combating financial crimes in the Cyber Age. Therefore, I am thankful for the additional funds provided in the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, for the Secret Service's investigative efforts in this area.

NATIONAL SPECIAL SECURITY EVENTS

The partnership approach to the Secret Service's investigative mission applies to our role in designated NSSEs as well. During a NSSE, or any other event attended by our country's leaders, the Secret Service and our federal, state, and local law enforcement partners strive to balance security with the general public's ability to attend and participate in the event. The Secret Service's authorities at NSSEs were originally part of Presidential Decision Directive 62 (PDD-62) released by President William J. Clinton in May 1998, and later passed into law as part of the Presidential Threat Protection Act of 2000 (P.L. 106-544). The Federal Government's roles and responsibilities for NSSEs were further clarified in March 2006 by President George W. Bush with the issuance of Homeland Security Presidential Directive 15/National Security Presidential Directive 46 (HSPD-15/NSPD-46).

Under the NSSE framework, the Secret Service is the lead agency responsible for the planning, coordination, and implementation of the operational security plan, the Federal Bureau of Investigation (FBI) is the lead agency for intelligence and counter terrorism, and the Federal Emergency Management Agency (FEMA) is the lead agency for coordinating an effective response to possible emergencies. The NSSE designation provides event planners with the expertise and resources of the Secret Service and other federal agencies, as well as the experience and knowledge gained from lessons learned during previous NSSEs.

Multi-Agency Planning and Coordination

All NSSE operational security plans begin with the establishment of a steering committee typically comprised of command-level representatives from the Secret Service, FBI,

FEMA, and law enforcement and public safety agencies with local jurisdiction where the NSSE is taking place. For example, in Washington, DC, the steering committee for this year's Inauguration included representatives from the United States Capitol Police (USCP), the United States Park Police (USPP), the Department of Defense (DOD), the MPD, the District of Columbia's Homeland Security and Emergency Management Agency, the Presidential Inaugural Committee (PIC), the Joint Congressional Committee on Inaugural Ceremonies (JCCIC), and others.

After the steering committee was established, operational subcommittees were formed to deal with specific security areas including credentialing, transportation, fire and life safety, joint training, airspace security, and interagency communication. There were also subcommittees dedicated to security issues at the U.S. Capitol Complex, and along the official parade route. Each subcommittee was either chaired or co-chaired by a Secret Service agent and staffed with the appropriate federal, military, and local law enforcement and public safety representatives. These subcommittees met routinely during the weeks and months leading up to the event, and reported regularly to the steering committee to discuss and share their progress in developing their piece of the overall operational security plan.

The Secret Service has long held that information sharing extends to the general public as well, particularly regarding security plans that may impact citizens concerned about road closures or civil aviation restrictions. Primarily through the press and media, but also through other public affairs activities, our objective is to provide timely information about how security measures will affect individuals so that no one is unnecessarily inconvenienced. For example, on January 7, 2009, the Secret Service, USPP, USCP, DDOT, the Virginia State Police, the Maryland State Highway Administration, and the Washington Metropolitan Area Transit Authority issued a joint press release with information on regional road closures, vehicular restricted zones, public transportation options, charter vehicle information, and designated pedestrian routes.

56th Presidential Inauguration

On January 20, 2009, an estimated two million people gathered on the west front of the U.S. Capitol and along the National Mall to witness the Inauguration of President Obama. Although this year's Inauguration was designated a NSSE by the Secretary of Homeland Security on October 20, 2008, the Secret Service, along with our established partners at the federal, state, and local level, began the security planning process months earlier. The NSSE designation for the Inauguration was modified on December 10, 2008, to include the pre-Inaugural whistle stop train trip on January 17, 2009, with separate designations for events in Philadelphia, Pennsylvania, Wilmington, Delaware, and Baltimore, Maryland, and a large concert event at the Lincoln Memorial on January 18, 2009, which attracted over 280,000 people. Whether it was the support provided by TSA security officers who assisted our Uniformed Division officers at magnetometer checkpoints, or the Coast Guard securing our waterways as part of the perimeter security, components from across the Department of Homeland Security contributed to the overall success of these events.

Although an unprecedented number of people attended this year's Inauguration, I am proud of the fact that there were no arrests or major injuries reported. I would like to offer my sincere regret to ticket holders who were unable to get to their designated areas for the swearing-in ceremony. At the request of Senator Dianne Feinstein, who served as Chairman of the JCCIC, the Secret Service along with the Sergeants at Arms of the House and Senate, as well as the Chiefs from the USCP, USPP, and the MPD, completed a thorough review to understand what happened and prevent similar issues from happening four years from now.

Whether it is the Presidential Inauguration, State of the Union Address, DNC or RNC, or any other designated NSSE, the Secret Service owes a debt of gratitude to our federal, state, and local law enforcement partners, public safety officials, as well as emergency managers and other technical experts. While our partner agencies represent their own jurisdictions and bring their own expertise to the operational security plan, their contributions are critical to the success of these large-scale events. Collectively, the goal of the Secret Service and our partner agencies is to develop and implement an operational security plan that provides a safe and secure environment for Secret Service protectees, other dignitaries, event participants, and the general public, while safeguarding people's lawful freedoms of speech, assembly, and petition of the government.

RELIANCE ON TECHNOLOGY

A critical part of the Secret Service's support of designated NSSEs is our Information Resources Management Division (IRMD). During the 2008 Presidential Campaign, IRMD staff provided critical support to the Multi-Agency Coordination Centers (MACCs), credentialing centers, event sites, motorcades, and all security rooms. At the DNC and RNC, our IRMD staff provided the radio, telephone, satellite, and infrastructure support needed in the event of a major disruption.

In FY 2008, the Secret Service invited the National Security Administration (NSA) to perform an independent evaluation of our agency's network to detect potential network intrusion and cyber attack vulnerabilities. While the NSA findings are classified, I can tell you that the results were chilling. While the Secret Service's dual mission is reliant on technology to help our special agents, Uniformed Division officers, and administrative, professional, and technical staffs perform their duties, the agency's IT and other mission critical infrastructure cannot sustain the tempo of current operations.

One aspect of this problem was raised in my appearance before the Committee last year when we discussed the rapidly growing interoperability gap between the Secret Service and the White House Communications Agency (WHCA). Over several years, WHCA modernized their telecommunications infrastructure which rendered Secret Service systems incompatible. The funds provided in the Omnibus Appropriations Act, 2009, to enable Secret Service communications systems to interoperate with WHCA, will allow us to begin the work necessary to address this communications deficiency.

CONCLUSION

While the 2008 Presidential Campaign generated excitement and enthusiasm the world over, the Secret Service is well aware of the historical significance of the election and vigilant when it comes to the safety and security of the First Family and other protectees. Looking forward, President Obama and Vice President Biden have publicly announced that they will maintain an extensive domestic and international travel schedule this year. While we do not know the exact details of this travel, the Secret Service is planning for the President and Vice President to engage in domestic travel on a weekly basis and to participate in at least one overseas trip per month. Other senior Administration officials receiving Secret Service protection, such as the United States Trade Representative and the Assistant to the President for National Security, are likely to have extensive travel schedules this year as well.

Given the historic significance of this past election, it is expected that President Obama will continue to draw crowds that are significantly larger than his predecessors. As such, we anticipate that our Uniformed Division officers will continue to work at an accelerated pace, using magnetometers and other screening equipment for the duration of this Administration, and our special agents in the field will continue to be tasked with protective intelligence cases and protective advances that are more labor intensive than in years past.

On the investigative side, the Secret Service will continue to put emphasis on our established partnerships through the ECTF program to investigate and prevent data breaches directed towards our country's financial institutions. Through our FCTF program, we will maximize the resources of the law enforcement community and the private sector in an effort to combat threats to our financial payment systems, including credit and debit card fraud, mortgage fraud, and other financial fraud schemes. Our ECSAP training and international field office staffing will continue to play a vital role in the disruption of criminal activity targeting our country's financial institutions. The Secret Service will also focus on strategic international investigations targeting counterfeiters and their distribution networks, as well as ensuring that bank note handlers overseas are trained to recognize counterfeit United States currency.

In closing, I would like to thank you again for the opportunity to be here today. I look forward to working with the Committee as you consider the President's FY 2010 budget request.