

# DEPARTMENT OF HOMELAND SECURITY

## Office of Inspector General

### A Review of Procedures to Prevent Passenger Baggage Thefts



Office of Inspections and Special Reviews

OIG-05-17

March 2005

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Office of Inspector General

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

## Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared by the OIG as part of its DHS oversight responsibility to promote economy, effectiveness, and efficiency within the department.

This report addresses the strengths and weaknesses of the checked baggage screening process employed by the Transportation Security Administration (TSA) to prevent passenger baggage thefts and to process loss or stolen baggage claims. It is based on interviews with employees of TSA and other officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to the OIG, and have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink that reads "Richard L. Skinner".

Richard L. Skinner  
Acting Inspector General

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## Abbreviations

ATA	Airline Travelers Association
ATSA	Aviation and Transportation Security Act
CMC	Claims Management Center
CMO	Claims Management Office
DHS	Department of Homeland Security
FBI	Federal Bureau of Investigation
FTCA	Federal Tort Claims Act
HSA	Homeland Security Act of 2002
OIAPR	Office of Internal Affairs and Program Review
OIG	Office of Inspector General
TSA	Transportation Security Administration

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## Introduction

In September 2003, we received a letter from Congressman Jim Turner containing several recommendations for audits, inspections, and investigations, including a reference to passenger criticisms about stolen, lost, and damaged baggage. Congressman Turner urged us to undertake a review of Transportation Security Administration's (TSA) processing of passenger and checked baggage. In response to this request, we reviewed the passenger baggage screening process to determine the efficacy of TSA's procedures to prevent baggage thefts, as well as the theft of baggage contents, and process lost or stolen baggage claims.

## Results in Brief

From January 1, 2003, shortly after TSA was mandated to screen 100% of all checked baggage, to September 30, 2004, 37 baggage screeners were fired for committing thefts. Of these, 36 began employment before their background checks were completed. Also, TSA passenger and baggage screeners do not receive any specific ethics training before they begin employment or formal ethics training while on the job.

Of the approximately 14,600 claims for items missing from passengers' baggage, 3,680 claims have been settled; 3,320 claims have been paid in full; 1,725 claims have been denied; and 5,875 claims are pending. Approximately \$736,000 has been paid to claimants for missing items.<sup>1</sup> In the absence of an agreement on shared liability with the airlines, TSA decided unilaterally to settle the pending missing items claims in July 2004. Since then, TSA reduced the number of missing items claims by 54%, from nearly 13,000 to 5,875 by September 2004.

We are recommending that TSA:

1. Evaluate the adequacy of supervision, the physical layout of inspection stations, and the feasibility of installing electronic surveillance techniques near inspection stations.
2. Include a module on professional ethics in its screening training curriculum.
3. Resume negotiating an agreement with the airline industry on shared liability for lost or stolen baggage claims.

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<sup>1</sup> The statistics summarize claims processing activity for the period November 2002-September 2004.

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## Background

Congress enacted the *Aviation and Transportation Security Act* (ATSA) following the September 11, 2001, terrorist attacks in the United States (Pub. L. 107-71) and created the Transportation Security Administration. TSA assumed the mission of protecting the nation's transportation systems to ensure freedom of movement of people and commerce. The federal security screener workforce completed the takeover of passenger screening from private sector contractor employees in November 2002 and baggage screening in December 2002.

TSA screens more than 250 million pieces of checked and carry-on passenger baggage annually at the nation's 429 commercial airports. Since TSA screeners began inspections in November 2002, the agency has received more than 14,600 complaints concerning missing items.

## Purpose, Scope, and Methodology

The objectives of our review were to assess the passenger baggage screening process to identify its vulnerabilities for theft; and, recommend actions, as appropriate, that would prevent or diminish baggage thefts, as well as improve lost or stolen baggage claims processing.

We analyzed applicable rules and procedures relating to baggage handling and the handling of claims for lost or stolen baggage. We interviewed TSA officials from the Claims Management Office (CMO), Office of Internal Affairs and Program Review (OIAPR), Office of Human Resources, and four major airports. We observed checked and carry-on baggage and passenger checkpoint screening processes at: Ronald Reagan Washington National airport; Baltimore-Washington International airport; John F. Kennedy International airport; and LaGuardia International airport. Finally, we interviewed officials from two large commercial airlines and contacted an airlines' passenger advocacy group and an airlines' representatives group to obtain their assessment on the extent of the baggage theft issue. The airline advocacy group, however, did not respond to our questions.

Our review was conducted under the authority of the Inspector General Act of 1978, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

## Checked Baggage Screening Process

In early 2002, while still assigned to the Department of Transportation, TSA began screening checked baggage using equipment previously deployed at

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airports. TSA deployments of explosives detection equipment began in mid-2002, and by January 1, 2003, it was screening all checked baggage for explosives and prohibited items at each of the 429 commercial airports across the United States. A percentage of all checked baggage undergoes exterior testing only; a percentage of bags are opened and the inside lining seams are tested; and, for a smaller percentage, the bags are opened fully and thoroughly tested.<sup>2</sup>

When a TSA screener opens a checked bag, which is locked with a TSA-recognized lock, the baggage screener will unlock it and then relock the baggage after the inspection.<sup>3</sup> If the lock is not TSA-recognized,<sup>4</sup> the baggage screener will attempt to unlock it with a master key. However, if unsuccessful, the lock may be cut or broken in order to complete the inspection. After a TSA screener opens the baggage, the screener is required to provide the traveler with a printed notification that his or her baggage was opened and inspected by authorized TSA security personnel (see Appendix A).

Airlines assume responsibility for checked baggage at check-in. TSA has responsibility for checked baggage from the time it accepts the baggage for security screening. After checked baggage is screened or manually inspected, it is moved, usually by a conveyor system, to a restricted area at the airport referred to as the “bag room.” Once the baggage arrives there for sorting and loading onto aircraft, the airlines resume responsibility for its security. Although airline baggage handlers do not have a reason to open checked baggage, they have a brief but uninterrupted opportunity to rifle through baggage during aircraft loading. TSA officials believe that airline employees are responsible for a large percentage of thefts. TSA officials estimate that checked baggage is under the airlines’ control about 90% of the time.

The location and number of checked baggage screening equipment varies among airports. Typically, baggage screening equipment is positioned either adjacent to the ticketing area or in the bag room, which usually is not accessible to the public. Some airports use a combination of baggage screening locations. For example, Ronald Reagan Washington National airport has screening machines adjacent to the airline ticket counters. Baltimore-Washington International airport, LaGuardia and John F. Kennedy International airport have screening machines in the vicinity of ticket counters and machines in its bag rooms.

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<sup>2</sup> In addition to the formula-driven testing, testing can occur when the explosive detection equipment senses an explosive or a suspicious item. In such cases, a TSA screener will manually inspect the suspect baggage, which may involve opening the bag and examining its contents.

<sup>3</sup> The “Travel Tips” section on the TSA website advises passengers to lock their baggage with a TSA-recognized lock and when possible, place valuable items in their carry-on baggage.

<sup>4</sup> TSA concedes that TSA-recognized locks do malfunction, and it does not assume liability for damage to any type of baggage locking mechanism.

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A notification of baggage inspection form is placed in checked baggage after the bag has been opened and inspected. The note does not identify the screener who opened the bag. A TSA official said that the ability to identify individual screeners who open baggage would have little effect, if any, on theft deterrence. This official believes that baggage screeners with criminal intent would not place an identifier in a bag from which they have stolen items; baggage screeners who correctly identify themselves are not likely to steal; and perpetrators could sign another screener's name on the inspection notification or place a false identifier in the bag. In addition, providing individualized inspection notices for nearly 17,000 baggage screeners would be difficult logistically and could create control issues. Therefore, TSA opposes the use of a baggage inspection notice that identifies the individual screener who opened the bag.

## **Passenger and Carry-on Baggage Screening Processes**

On October 8, 2001, the Federal Aviation Administration issued an advisory that limits passengers to one carry-on bag and one personal bag, i.e., purse or briefcase. Airlines retained the discretion to set policy regarding the size and weight of carry-on items. Regardless of the airlines' policies, each piece of carry-on baggage must be screened for prohibited or suspicious items by a TSA screener. Carry-on baggage checks occur at a screening station or checkpoint where passengers themselves are checked prior to boarding their aircraft. Passengers pass through a metal detector and carry-on items are x-rayed.

Some passengers are sent to secondary screening based on TSA protocols or when their carry-on items activate an alarm at the screening checkpoint. TSA baggage screeners have the discretion and are authorized to refer passengers to secondary screening based on their own observations and judgment, even in the absence of one of the foregoing premises. When a passenger is selected for a secondary screening, his or her carry-on baggage may be opened and examined by a TSA screener. It is at this point that theft of contents from carry-on baggage can occur.

According to TSA, 20 theft cases have occurred at passenger checkpoints since it began baggage screening. TSA baggage screeners have stolen change, paper currency, credit cards, pens, watches, cell phones, and jewelry from carry-on baggage. In addition, similar items unintentionally left at passenger checkpoints by travelers have been stolen. According to the baggage screeners' training manual, loose change and other cash must be turned over to the checkpoint supervisor. TSA retains unclaimed money recovered at any airport security checkpoint for use toward expenses related to civil aviation security.<sup>5</sup>

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<sup>5</sup> See 49 U.S.C. 44945, Disposition of Unclaimed Money, added by Pub.L. 108-334 (October 18, 2004).

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When a passenger inadvertently leaves personal property other than cash at a screening checkpoint, the item is normally kept at that checkpoint for a few hours in the event the passenger returns to claim it. If the passenger does not return to claim the property, TSA makes a record of the item left behind and sends it to the airport's lost and found facility.

## Instances of Baggage Contents Theft

We could not ascertain an authoritative estimate of the extent of passenger baggage content theft, either generally or since TSA took over baggage screening. We requested such data from the Air Travelers Association (ATA), an air passenger advocacy group. ATA did not provide empirical data, but reported that carriers have noticed increases in loss-of-contents complaints since physical inspection of checked baggage began. The magnitude of these increases varies from carrier to carrier, but it is appreciable. According to ATA, the rise in loss-of-contents is occurring because passengers' checked baggage is regularly opened and searched according to TSA security procedures, which is a new part of the baggage examination process rarely performed by the previous private screeners.

Recent media reports have cited instances of baggage thefts. For example, two baggage screeners were arrested and charged with grand theft for allegedly stealing baggage at Miami International airport.<sup>6</sup> In this case, after checked baggage was screened at checkpoints in the airport's ticketing area, the accused baggage screeners opened the bags in the restricted baggage handling area one floor below the ticketing area and stole compact discs, cologne, and digital videodisc players. At the New Orleans Louis Armstrong International airport, four baggage screeners were arrested for removing items from passengers' bags and selling and trading the items at the airport's employee parking lot.<sup>7</sup> At the Fort Lauderdale-Hollywood International airport, four baggage screeners stole cash, credit cards, jewelry, and electronic devices from checked baggage.<sup>8</sup> In another incident, travelers who passed through the Spokane International airport reported some of their pain medications missing. In a sting operation, the U.S. Drug Enforcement Administration and TSA officials used a surveillance camera to identify a TSA supervisory screener taking prescription drugs from a passenger's baggage.<sup>9</sup> Last, in a sting operation, four TSA baggage screeners were arrested at New York's John F. Kennedy and LaGuardia airports for stealing money, jewelry, and other valuables from checked baggage.<sup>10</sup>

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<sup>6</sup> June 25, 2003, NBC 6 News Team, "Federal Baggage Screeners Charged With Theft"

<sup>7</sup> June 26, 2004, *New Orleans Times-Picayune*, "Police Arrest Four More New Orleans Baggage Screeners"

<sup>8</sup> June 30, 2004, *The Miami Herald*, "Four Fort Lauderdale Screeners Accused of Stealing From Luggage"

<sup>9</sup> July 15, 2004, *Seattle Post-Intelligencer*, "Airport Screener Held for Stealing Drugs from Passengers' Bags"

<sup>10</sup> August 18, 2004, *New York Times*, "Bag It"



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In addition to the arrest at the Spokane International airport where a surveillance camera was used, the arrests at the Miami, New York, Ft. Lauderdale, and New Orleans airports were accompanied by videotape recordings that captured the employees in the act of stealing from passenger bags. Video evidence constitutes significant support for criminal prosecutions.

Incidents of theft are more likely to take place in an environment where an opportunity to pilfer exists. This may result from inadequate supervision, the physical layout of the inspection area, or collusion among workers. It is more likely that thefts occur in unmonitored restricted areas at airports.

Detection and prosecution of thefts cases in remote areas of the airport, where access is restricted, and observation by others is limited, will continue to be difficult. Increasing supervisory oversight, increasing the surveillance of bag rooms with cameras and better lighting, and increasing the likelihood of detection by other means may achieve deterrence. One avenue that TSA should consider arises from an analogous activity conducted by the OIAPR. OIAPR does penetration testing of screeners to test their ability to detect prohibited baggage contents. Similarly, OIAPR could perform integrity testing at problematic airports, i.e., at airports where a statistical review of reported theft and loss data warrants. Testing could be modeled after the successful sting operations performed at the New York and Spokane airports. General awareness among the screener workforce that OIAPR is monitoring statistical data to look for problematic airports, and is prepared to undertake sting operations to seek out corrupt baggage screeners, would significantly enhance the deterrence element of a theft prevention program.

Not all losses are thefts. A TSA official said that baggage screeners exercise care during the screening process to ensure that baggage contents are returned to the traveler's baggage every time baggage is opened. However, TSA officials also mentioned that baggage screeners, on occasion, inadvertently would fail to repack items such as a single shoe, trousers, or cosmetic pouches. Haste, caused by a low ratio of staff to baggage volume, and inadequate inspection areas can contribute to such losses. For the passenger, the distinction between theft and inadvertent failure to return all items to baggage is immaterial.

We recommend that the Assistant Secretary for TSA:

**Recommendation 1:** Evaluate the adequacy of supervision, the physical layout of inspection stations, and the feasibility of installing electronic surveillance equipment and other covert security techniques near inspection stations.<sup>11</sup>

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<sup>11</sup> On December 7, 2004, Congress passed the Intelligence Reform and Terrorism Prevention Act of 2004, Pub.L. 108-458. Section 4020 required the Under Secretary for Border and Transportation Security to provide "assistance to airports

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## Background Checks of Baggage Screeners

TSA was directed by the ATSA to hire federal passenger screeners by November 19, 2002, and to employ baggage screeners and implement baggage screening by December 31, 2002. TSA reviewed more than 360,000 applications and hired approximately 55,600 screeners. During the height of the hiring period, TSA and its support contractors were hiring nearly 5,000 screeners per week.

Pursuant to the ATSA, federal screeners must undergo a four-phase background investigation. The background check includes the following:

- FBI national criminal history check;
- Local criminal history, credit checks, and link analysis against terrorist watch list databases;
- Prior employment, education, and personal reference checks; and,
- National agency records check incorporating the results of fingerprint, criminal history, and credit checks, as well as education, references, and citizenship verification.

As of June 8, 2004, TSA had terminated 37 baggage screeners for committing theft. Of those, TSA records indicate that 36 baggage screeners began work before their background checks were complete. TSA records indicate that only one screener among those who were terminated for theft began employment after the background check had been completed. Of the 36 screeners whose background checks had not been completed prior to their employment, TSA had no record of the status of five screeners' background checks; two screeners' background checks were discontinued for unspecified reasons, yet those screeners remained on the job; and two other screeners' background checks subsequently were returned as unacceptable, which may be construed as meaning their background checks revealed derogatory information. Those screeners also remained on the job.

Our report, *A Review of Background Checks for Federal Passenger and Baggage Screeners at Airports*, dated January 2004, noted that as of May 31, 2003, about 42,000 applicants had one or more incomplete phases in their background check. Overwhelmed by the volume of applications and the deadline to meet the mandate

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at which screening is required . . . and that have checked baggage screening areas that are not open to public view in the acquisition and installation of security monitoring cameras for surveillance of such areas in order to deter theft from checked baggage and to aid in the speedy resolution of liability claims against the Transportation Security Administration." This new statutory requirement satisfies the intent of our recommendation. The follow-up monitoring that we conduct when tracking a component's corrective actions against our report recommendations will permit us to continue to evaluate TSA's provision of assistance to airports, as mandated.

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of the ATSA, screeners were hired and permitted to work contrary to sound personnel security practices and the provisions of the ATSA. On August 23, 2004, CBS televised footage of a TSA baggage screener caught by a surveillance camera removing items from a passenger's baggage. It was later discovered that the screener had four social security numbers and a criminal conviction for shoplifting.

It is now TSA policy to complete a favorably adjudicated criminal history records check before offering employment to job candidates. TSA has established processes, procedures, and systems to ensure that fingerprint and preliminary background checks are complete before candidates are hired. We will continue to monitor TSA's progress in this area.

## **Baggage Screener Training**

Baggage screeners are duty bound to protect air travelers by identifying explosives and harmful objects in baggage and preventing them from being loaded onto aircraft. Instances of baggage theft committed by TSA baggage screeners not only erodes public confidence in the TSA baggage screening process, but also questions the ethical conduct of TSA baggage screeners. Passengers have a right to expect that their belongings will be secure when they relinquish control of their baggage.

TSA baggage screener training is designed to instruct baggage screeners on the use of equipment that detects explosives and to identify prohibited items that might be concealed in passengers' checked or carry-on baggage. The training curriculum does not include, however, a module on ethics. A TSA official said that although ethics training was not included, baggage screeners are expected to "know" that willfully taking passengers' property is unethical. In addition, a TSA official said that TSA *Management Directive No. 1100.75-1*, which sets forth policies and procedures on the use of disciplinary and adverse actions to address employee performance and conduct problems, is posted on the TSA intranet site. According to this directive, conduct involving theft is an offense for which removal from employment is required. Although this directive is on TSA's intranet, a TSA official said that most baggage screeners do not have access to the agency's intranet.

We recommend that the Assistant Secretary for TSA:

**Recommendation 2:** Include a module on professional ethics in the screener-training curriculum and provide periodic ethics training for all baggage and

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passenger screeners. Such training should detail the disciplinary actions that will be taken to address employee misconduct.

## Missing Items Claims Processing

If a passenger discovers, typically after leaving the airport and unpacking at their destination, that contents are missing from his or her baggage, it is likely that the passenger will contact the airline last flown. The airline will usually recommend that the passenger contact TSA, either by visiting the TSA website or by calling TSA's toll-free number. TSA provides instructions both on its website and toll free telephone number to passengers who wish to file a claim. In addition to filing instructions, TSA's website has a version of the claim form, *Claim For Damage, Injury, Or Death, Standard Form 95 (SF-95)*. Passengers who have access to the internet and who desire to file claims are encouraged to download, complete, and mail the claim form to the CMO. Passengers who do not have access to the Internet may call the TSA Contact Center and a claim form and instructions will be mailed within 10 days. In lieu of the form SF-95, passengers may file a claim by sending a signed letter that contains the claim information to the CMO. Also, the website provides information on the limits of TSA's liability for damaged or missing items and the length of the filing period.

The CMO has a staff of eighteen who process claims. Their duties also include adjudication, review, management oversight, financial transactions, and Congressional Correspondence. Upon receipt of the form SF-95 or the signed letter, the CMO conducts a preliminary review of the claim to determine whether the alleged incident was a result of TSA's negligence. In this regard, TSA has instructed baggage screeners to acknowledge any damage they may have caused by placing their business card in the baggage. Claims where a TSA screener has acknowledged responsibility for damage are processed with minimal delay.

The value and age of all claim items must be verified. Claimants must provide proof of purchase as evidenced by receipts, credit card statements, bank statements, purchase orders, or invoices. If no receipt is available, the claimant must provide an itemized list that includes the price and product specifications or a description of a comparable item. If necessary, the CMO contacts the claimant to obtain additional information. Also, the CMO may contact others who may have knowledge of the circumstances associated with the loss or officials at the airport where the loss may have occurred.

When a claim is logged into the claims management database, it is automatically checked to determine whether it was entered previously. If the claim is not in the

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database, it is entered and assigned an identification tracking number. The tracking number enables CMO employees to identify claims readily. In addition, TSA has added a feature to its website that allows claimants to track the status of their claims through the use of the tracking number. TSA issues an acknowledgement letter to notify the claimant that the claim has been received.

TSA adjudicates claims under the guidelines established by the *Federal Tort Claims Act* (FTCA).<sup>12</sup> A claimant is entitled to the fair market value of the missing property measured at the time and place of the loss. The FTCA does not establish a dollar limit for a claim, but does require that claims be filed within two years from the date of the incident. The CMO receives all tort claims, including lost or damaged property and personal injury, involving or related to TSA personnel or screening operations. CMO investigates all property tort claims and can approve payment up to \$2,500. The Office of Chief Counsel approves claims payments from \$2,501-\$25,000. Claims payments greater than \$25,000 are forwarded to the Department of Justice for approval. Under the FTCA, all payments above \$2,500 are paid out of the “Judgment Fund” administered by the Department of Treasury.

TSA is obligated to investigate and pay claims as deemed appropriate. In accordance with the FTCA and applicable state law, TSA generally does not pay for incidental or consequential expenses, such as phone calls, mail, missed or rescheduled flights, or hotel bills that may have resulted because of the loss. For similar reasons, TSA generally does not consider the sentimental value of an item.

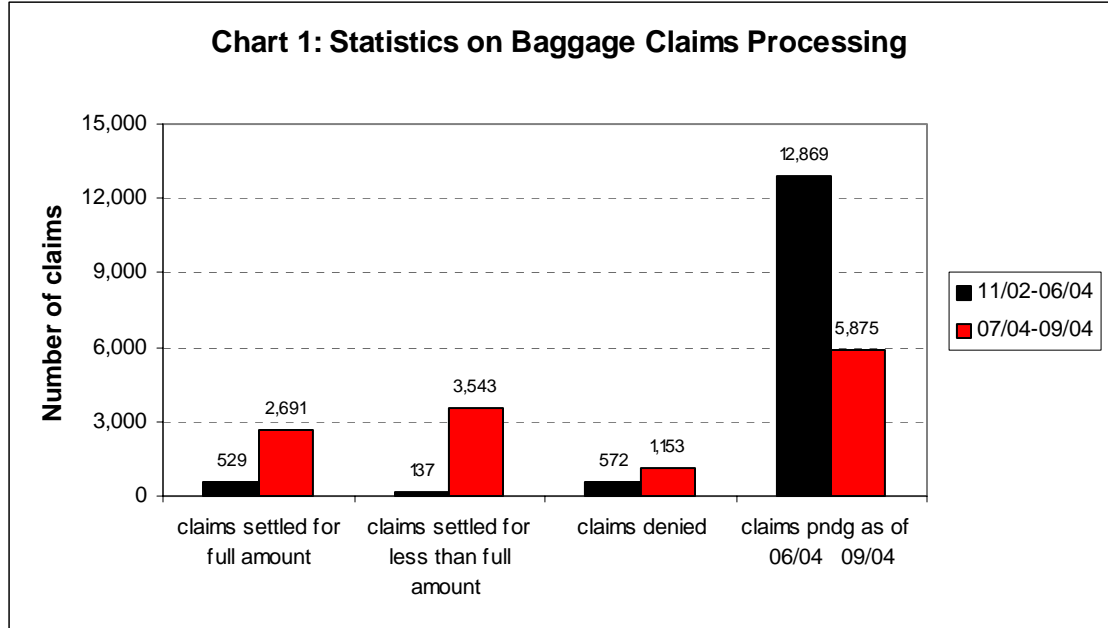
All claims must be sufficient regardless of the amount claimed. However, verifying the details of each case can be time consuming and costly. Therefore, it is typical for a case to remain active for three or more months. To reduce the backlog of claims and simultaneously reduce costs, a TSA official said that once they factor in the often expensive cost of investigating a claim, they generally find it prudent to pay claims valued up to a threshold amount. Approximately 75% of all missing items payments are less than \$500 - - the average being \$120.

TSA estimates that checked baggage is under the control of TSA and the airlines about 10% and 90% of the time, respectively. Even when it is possible to verify that a passenger suffered a theft or loss, it may be impossible to attribute responsibility between TSA baggage screeners and airline baggage handlers. In August 2003, TSA and the airline industry started negotiations on an agreement wherein TSA would be required to pay 35% and the airlines 65% of approved claims filed after the memorandum was signed. By July 2004, however, the two sides were unable to reach an agreement. Thereafter, TSA decided to settle pending missing items claims while pursuing agreements with individual airlines,

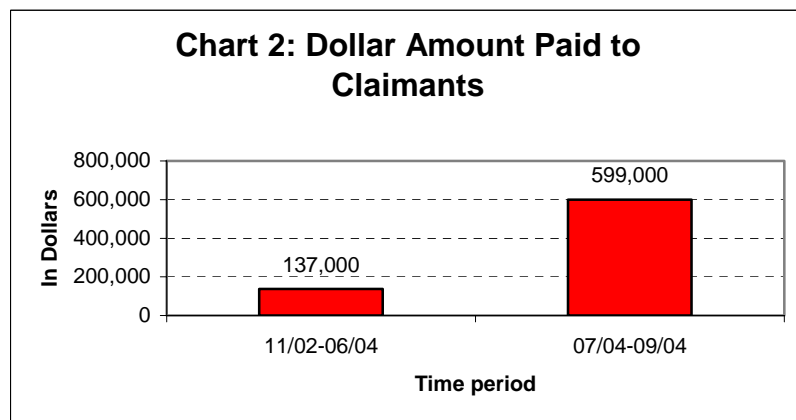
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<sup>12</sup> 28 U.S.C.: 1346(b), 2671 et seq.

in lieu of a universal agreement. As a result of this decision, TSA has reduced the number of pending missing items claims by 54% from nearly 13,000 in June 2004 to 5,875 in September 2004. The following chart shows the significance of this reduction.



From November 2002 through June 2004, TSA paid \$137,000 to claimants. However, because TSA decided unilaterally to settle many pending missing item claims, as shown in Chart 2, TSA paid \$599,000 from June to September 2004. The total of all claims paid as of September 2004 was \$736,000.



Despite continued uncertainty on shared liability between TSA and the airline industry for missing items, we commend TSA for its recent aggressive process for

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adjudicating pending missing items claims. However, TSA should resume negotiations with the airlines. Currently, TSA is making 100% of restitution when it determines that it is solely liable for the loss. TSA makes 50% of the restitution when liability could be shared with the airlines. Moreover, some unscrupulous claimants might be submitting claims to both TSA and the airlines and are being paid by both. An agreement with the airlines would reduce any double payments.

We recommend that the Assistant Secretary for TSA:

**Recommendation 3:** Resume negotiating with the airline industry to devise an equitable method for sharing the liability for missing checked baggage items claims.



*Transportation Security  
Administration*

### **NOTIFICATION OF BAGGAGE INSPECTION**

To protect you and your fellow passengers, the Transportation Security Administration (TSA) is required by law<sup>\*</sup> to inspect all checked baggage. As part of this process, some bags are opened and physically inspected. Your bag was among those selected for physical inspection.

During the inspection, your bag and its contents may have been searched for prohibited items. At the completion of the inspection, the contents were returned to your bag, which was resealed.

If the TSA screener was unable to open your bag for inspection because it was locked, the screener may have been forced to break the locks on your bag. TSA sincerely regrets having to do this, and has taken care to reseat your bag upon completion of inspection. However, TSA is not liable for damage to your locks resulting from this necessary security precaution.

For packing tips and other suggestions that may assist you during your next trip, visit:

[www.TSATravelTips.us](http://www.TSATravelTips.us) <=

We appreciate your understanding and cooperation. If you have questions, comments, or concerns, please feel free to contact the Transportation Security Administration Consumer Response Center:

Phone: +1 (866) 289-9673 (toll free)  
Email: [TellTSA@tsa.dot.gov](mailto:TellTSA@tsa.dot.gov)

\* Section 110(b) of the Aviation and Transportation Security Act of 2001, 49 U.S.C. § 44901 (c)-(e)

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*Office of the Assistant Secretary*

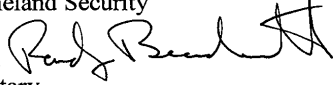
U.S. Department of Homeland Security  
601 South 12th Street  
Arlington, VA 22202-4220




**Transportation  
Security  
Administration**

**MAR 11 2005**

MEMORANDUM FOR: Richard L. Skinner, Acting Inspector General  
Department of Homeland Security

THROUGH: Randy Beardsworth   
Acting Under Secretary  
Border and Transportation Security

FROM: David M. Stone   
Assistant Secretary

SUBJECT: Transportation Security Administration Response to a  
"Review of Procedures to Prevent Passenger Baggage  
Thefts"

This memorandum constitutes the Transportation Security Administration's (TSA) response to your Draft Report on the "Review of Procedures to Prevent Passenger Baggage Thefts." Thank you for your efforts to provide TSA with increased capabilities to identify certain operational issues that may be appropriate for revision.

The accompanying attachment is TSA's official Agency Comment to the Department of Homeland Security's Office of Inspector General review of TSA's procedures to prevent baggage thefts. Our comments consist primarily of input from Aviation Operations, the Office of Transportation Security Policy's Claims Management Office, Workforce Performance and Training, the Chief Technology Office, and the Office of Chief Counsel.

TSA responses to each of the recommendations raised in the Draft Report are enclosed, as well as an additional comment on the overall Report. We look forward to ongoing cooperation with your office as we work towards identifying and correcting vulnerabilities in our transportation security infrastructure.

Attachment

**TSA's Response to Recommendations made in "A Review of Procedures to Prevent Passenger Baggage Thefts"**

**Recommendation 1: Evaluate the adequacy of supervision, the physical layout of inspection stations, and the feasibility of installing electronic surveillance techniques near inspection stations.**

TSA continuously reviews procedures related to the screening of baggage including supervision of personnel, physical layout, and electronic surveillance techniques. We will continue to do so in addition to implementing the congressional requirements of the Intelligence Reform and Terrorism Prevention Act concerning checked baggage screening area monitoring.

TSA's Office of Aviation Security Programs is working closely with the Office of the Chief Information Officer to plan and execute a program for the installation of electronic surveillance systems (ESS) to deter, detect, and adjudicate incidents of baggage pilferage and claims arising from such incidents.

A limited amount of funding has been made available for ESS systems in FY 05 and plans are being developed to either install ESS where none existed before or make use of or supplement existing airport systems to leverage available resources. TSA is working in partnership with airports to find the most cost effective means to install and maintain current and future ESS systems.

Searching checked baggage in view of the passenger obviously mitigates incidents of pilferage, but as inspection stations move away from lobbies and into airport baggage handling areas, ESS will rise in importance as will emphasis on proper supervision of such areas.

**Recommendation 2: Include a module on professional ethics in its screening training curriculum.**

A general ethics course is under development and should be available on the Online Learning Center in the next 4-6 weeks. This course will be mandatory for all TSA employees, with a second component required for all supervisors available during the same timeframe. New employees will have 90 days to complete this course. For existing employees, the training will be required within six months.

On pages six and seven of the draft report, there is discussion of previous cases of prosecution against TSA screeners based on "sting" or surveillance evidence. The Office of Workforce Performance and Training will incorporate the occurrence of such incidents into an existing lesson that is taught in all three of the basic screener training courses (Dual Function Screener, Passenger, and Baggage).

Currently, TSA screeners do receive some ethics training though they are not required to receive annual ethics training because they do not file financial disclosure reports. The field attorneys at the Office of Chief Counsel often make annual ethics training sessions for financial disclosure filers at their airports available to the screener workforce as well. TSA screeners received the TSA Guide to Major Ethics Rules as new employees. Also, all employees must sign the TSA HRM Letter No. 735-1, Interim Policy on Employee Responsibilities and Conduct, which contains many of the Standards of Ethical Conduct provisions. Field attorneys have also displayed ethics posters in TSA offices and breakrooms.

Additionally, in 2003-2004 several articles in *The Sentinel* were published on ethics issues, including the 14 Principles of Ethical Conduct, gifts, buddy passes, and the Hatch Act. *The Sentinel* is a newsletter distributed to the entire TSA workforce.

**Recommendation 3: Resume negotiating an agreement with the airline industry on shared liability for lost or stolen baggage claims.**

TSA recently resumed discussions with the airline industry based on the following set of objectives: (1) improve customer service, including communication to the passengers about where to file claims; (2) enhance detection of fraud, including duplicative claims; (3) facilitate cooperation in resolving exceptional claims when necessary; and (4) develop open channels of communication between the Claims Management Office and airline claims offices.

At a meeting on January 11, 2005, the airlines were receptive to these proposed goals, and TSA is scheduled to provide a white paper to the airline community describing our proposed goals in Spring 2005. The airline associations will then share this paper with their members and provide feedback to TSA. The goal is to have a memorandum of cooperation that all domestic airlines may sign by late Spring 2005.

**General Comment to the Draft Report**

Page 7: Property inadvertently left out of bags: TSA has recognized that this is a problem and has advised that this property be handled as lost and unclaimed property. Under lost and unclaimed procedures, property recovered after checked baggage has been screened will be inventoried and held for at least 30 days to provide the owner an opportunity to reclaim the property. Should the owner be unable to reclaim the property, and has evidence that TSA opened his or her baggage, such as a Notice of Inspection, the passenger may submit a claim for the missing property.

We evaluated TSA's written comments to the draft report and made changes as appropriate to the final version. Below is a summary of our analysis of TSA's response to the recommendations contained in the draft report.

**Recommendation 1:** Evaluate the adequacy of supervision, the physical layout of inspection stations, and the feasibility of installing electronic surveillance techniques near inspections stations.

**TSA Response:** TSA replied that it is continuously reviewing procedures related to baggage screening issues, including supervision of baggage screeners, the physical layout of screening stations, and the use of electronic surveillance system (ESS) techniques. With regard to ESS, TSA's Office of Aviation Security Programs is coordinating with its Chief Information Officer to plan for the installation ESS where none exists or to supplement existing systems. In addition, TSA is working with airports to find the most cost effective method to maintain current systems and install future ESS. Limited funds are available for ESS in FY2005. In addition, TSA is implementing the requirements of the Intelligence Reform and Terrorism Prevention Act concerning checked baggage screening area monitoring.

**OIG Evaluation:** We concur with TSA's action and regard the recommendation as resolved and open. TSA's continuous internal scrutiny of baggage screening procedural issues as well as management matters is responsive. The installation of ESS systems at every baggage inspection area in all airports would exceed reasonably foreseeable federal funding. However, TSA needs to be more specific in explaining how it will deploy ESS at select airports. We will close this recommendation once TSA supplements its response to show that it has finalized its ESS installation and supplemental plans and provides evidence that installation of new ESS or the upgrading of existing ESS is in progress.

**Recommendation 2:** Include a module on professional ethics in its training curriculum.

**TSA Response:** TSA plans to make ethics training mandatory for all of its employees. Presently, only employees who file financial disclosure reports are required to attend ethics training. TSA's Office of Workforce Performance and Training (OWPT) is developing TSA's general ethics course. TSA expects that this course will be available on its Online Learning Center by April 27, 2005. Once the ethics course is available, new employees must complete the course within 90 days, while tenured employees have up to 6 months to complete the course.

TSA also pointed out that a copy of “TSA Guide to Major Ethics Rules” is provided to new employees; all employees are required to sign the TSA HRM Letter No. 735-1, Interim Policy on Employee Responsibilities and Conduct; and ethics posters are displayed in TSA offices and break rooms. Finally, TSA’s Office of Counsel often offers ethics training sessions for financial disclosures filers at airports. These sessions are open to all employees including the screeners.

OWPT also plans to incorporate into TSA’s three basic screener courses, lessons learned as a result of screeners who have been prosecuted for committing baggage thefts.

**OIG Evaluation:** TSA’s commitment to educate its employees on their ethical obligations through general ethics training, by distributing literature that focuses on ethics rules, and by displaying ethics posters is encouraging. These initiatives, while beneficial, do not achieve the result sought by our recommendation. We recommended that all screeners receive ethics training, not just lessons learned, during the initial training preparatory to their starting work, not after they have started. Moreover, TSA has not provided an assurance that it has a method to track and ensure that each employee takes the general ethics training it proposes to offer. We regard this recommendation as resolved because of TSA’s stated intention to expand new screener training, but it will remain open until lessons learned are made part of TSA’s formal ethics training on issues related to worker integrity, public trust, and the prohibitions and penalties for theft or reckless treatment of passenger belongings.

**Recommendation 3:** Resume negotiating an agreement with the airline industry on shared liability for lost or stolen baggage claims.

**TSA Response:** TSA resumed discussions with the airline industry on January 11, 2005. The goals of the discussion included identifying methods for improving customer service as well as enlightening passengers where to file claims; enhancing detection of fraud; facilitating cooperation in resolving exceptional claims; and, establishing communications between the Claims Management Office and airline claims offices. TSA plans to present a white paper on the proposed goals to the airline industry in spring 2005. Then, the airline industry is expected to share the paper with its members, and provide input to TSA. Finally, the plan is to have all domestic airlines sign a memorandum of cooperation by late spring 2005.

**OIG Evaluation:** Though TSA has resumed negotiations with the airline industry, sharing liability for loss or stolen items claims did not appear to be on the agenda. This recommendation remains unresolved until TSA provides evidence that the issue of shared liability is being negotiated with the airline industry.

**Recommendation 1:** Evaluate the adequacy of supervision, the physical layout of inspection stations, and the feasibility of installing electronic surveillance and other covert security techniques near inspection stations.

**Recommendation 2:** Include a module on professional ethics in the screener-training curriculum and provide periodic ethics training for all baggage and passenger screeners. Such training should detail the disciplinary actions that will be taken to address employee misconduct.

**Recommendation 3:** Resume negotiating with the airlines to devise an equitable method for sharing the liability for missing checked baggage items claims.

Appendix E  
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