

STATEMENT
OF
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REGARDING A HEARING ON

“Federal Protective Service: Will Continuing Challenges Weaken Transition and Impede Progress”

BEFORE THE
HOUSE COMMITTEE ON HOMELAND SECURITY

Wednesday, November 18, 2009 – 10:00 a.m.

311 Cannon House Office Building

WASHINGTON, DC

Chairman Thompson, Ranking Member King, and members of the Committee, thank you for inviting me to appear before you today to discuss the transition of the Federal Protective Service (FPS). As you are aware, FPS transferred from U.S. Immigration and Customs Enforcement (ICE) to the National Protection and Programs Directorate (NPPD) on October 28, 2009, with the signing of the Fiscal Year 2010 Department of Homeland Security Act (P.L. 111-83). This move advances Secretary Napolitano's strategic vision and her commitment to align functions within the Department of Homeland Security (DHS) in a manner that leverages the Department's resources and competencies to maximize FPS' contributions to the Department and its value to the Nation.

For the past six months, NPPD has worked closely with FPS and ICE to ensure an orderly and seamless transition. I have an enormous appreciation and tremendous respect for FPS' work. The protection of federal facilities and their occupants is critical, and we need to ensure that FPS has the resources and infrastructure to accomplish that mission. FPS Director Schenkel and I take our responsibility to provide such resources and infrastructure very seriously; this framed our transition plan, guided us throughout the transition period, and will continue to inform our decisions as we move forward.

GAO Audit Summary

Since its transfer to DHS in 2003, the FPS has been the subject of five Government Accountability Office (GAO) audits that have resulted in 20 recommendations for improving its management and operations. The disposition of the 20 recommendations is as follows:

- Five have been addressed and closed.
- Ten related to facility protection, finance, and human capital planning and are being actively worked.
- Five are tied directly to the implementation of FPS's Risk Assessment and Management Program (RAMP), and likely will remain open until RAMP is fully operational in 2011.

I would like to address some of the major areas identified by GAO as needing improvement—human capital, finance, and contract guard oversight—as well as review some of the actions and initiatives taken by FPS to make these changes.

Human Capital

FPS has made improvements in its human capital management since a June 2008 GAO report recommended that FPS develop and implement a strategic approach to manage staffing resources. FPS refined, and is using, a strategic staff allocation model to manage its staffing resources. It has also enhanced regional and headquarters capabilities to identify and report personnel strength levels, allowing FPS to achieve and maintain optimum resource levels. FPS's accomplishments and improvements in this area led GAO to close this recommendation last month.

In addition to this major accomplishment, FPS has used its human capital management plan to make remarkable progress in recruiting, training, and allocating personnel during the past 18

months. At the beginning of 2008, as a result of budget requirements, FPS was directed to reduce its staff from 1,100 to 950 employees. FPS immediately developed an action plan to bring about those reductions while still accomplishing its critical mission. To save the jobs of a large number of valued employees, FPS identified programs that would reimburse FPS for assignments of a substantial number of positions. Three months later, the enactment of the Fiscal Year (FY) 2008 Omnibus Act required FPS to increase its strength by 150 additional law enforcement personnel, rather than reduce its staff to 950. FPS aggressively changed course and conducted the most successful recruiting and selection campaign in FPS history.

Further, just this week I combined NPPD and FPS human capital management functions. This move capitalizes on the momentum made by FPS in the human capital area and fully integrates NPPD's human capital processes to improve the overall strategic approach to its management of staffing resources.

Finance

GAO has offered recommendations for improving FPS's financial processes, and FPS has made important improvements. With Congress' support and guidance, FPS has employed a strategic approach to improve its business processes, and its significantly enhanced financial functions have paid huge dividends. In the National Capital Region alone, an improved procurement process for guard services resulted in reducing the cost of three new security guard contracts by \$5.5 million in FY 2008, savings that were passed directly to the agency client. An especially noteworthy accomplishment was the elimination of a backlog of 2,200 invoices totaling \$92 million, some of which pre-dated the creation of DHS. To improve FPS' invoice payment processes, FPS consolidated the entire process by requiring that all invoices be sent to a central location. Since the beginning of FY 2008, FPS has paid 95 percent of all invoices within 30 days, and, in the most recent month, the percentage of payments paid within 30 days rose to 99.5 percent.

FPS continues to refine its financial business processes. This year, it developed and implemented an activity-based cost model that captures obligations and expenses and links them directly to the appropriate line of business, activity, and cost center. The model is still being tested, but early results indicate that it will allow us to analyze security costs by facility, risk level, and performance. This capability will assist in developing and evaluating potential alternative fee methodologies that align costs of services required for designated security levels.

Contract Guard Oversight

During the past year, FPS has been developing detailed performance measures that are directly linked to its strategic plan, which was issued in 2008. FPS has developed a draft set of more than 80 potential measures that are aligned to FPS programs and can provide information to determine FPS progress toward meeting the goals and objectives in the strategic plan. FPS is now testing and refining the highest priority measures to ensure their feasibility and accuracy. Based on this testing, FPS will establish comprehensive performance measures in FY 2010. Further, FPS is currently developing additional information collection and analysis tools to allow these comprehensive measures to be fully implemented.

To specifically address the most recent oversight issues reported by GAO, FPS has responded to improve oversight of its contract guard force. For example, within hours of learning of lapses in screening procedures in selected facilities, FPS:

- Established a national study group to determine the causes of the lapses and to recommend measures to prevent their recurrence;
- Authorized overtime to increase the frequency of contract guard post inspections;
- Required contract guards to complete additional training in magnetometer and X-ray screening operations and techniques; and
- Identified contract guards with expired certifications and qualifications and brought them into compliance with contract provisions or removed them.

In addition to these measures, FPS established a Covert Testing Working Group and tasked its members to develop a Covert Testing Program to enhance and complement ongoing overt efforts to improve oversight and promote attentiveness and professionalism of the contract guard force. The working group has developed a draft program that will contribute to a multi-faceted approach to achieve FPS strategic goals effectively and efficiently and to ensure secure facilities and safe occupants. This approach will be integrated with FPS' formal program review process, which facilitates data analysis management and consistent follow-up to ensure that corrective actions and identified policy and training deficiencies are adequately addressed and resolved. We anticipate that the new policy directive to implement the program will be in place no later than December 11, 2009.

I thank you for your time today. I appreciate the opportunity to discuss the Federal Protective Service's transition and progress. I will be happy to answer any questions from the Committee.