



STATEMENT
OF
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INTRODUCTION

Chairman Thompson, Ranking Member King and distinguished Members of the Committee. Thank you for the opportunity to appear before you to share information about the Federal Protective Service (FPS), business improvements made over the last two years, and a vision on where we are going as a program in the future. Bottom line - - since merging into U.S. Immigration and Customs Enforcement (ICE) after the creation of the Department of Homeland Security (DHS) in March 2003, FPS has been focused on strengthening its capability to execute its core mission. The goal was and still is to implement a more effective FPS, ensuring that our nation's critical Federal facilities remain safe and secure. We now have a plan to succeed in this goal.

THE ICE MISSION

The ICE mission is to protect the American people by enforcing the law against terrorists and criminals who seek to cross our borders and threaten us here at home. The FPS program is a critical part of that mission through its protection of our Federal facilities, the public that conducts business in those buildings, and the Federal employees who work there. FPS uses a layered security approach that includes conducting security assessments, offering emergency planning services, and providing law enforcement services. These activities are performed at more than 8,900 Federal facilities nationwide.

FPS BACKGROUND

The FPS program delivers integrated law enforcement and security services to Federal agencies housed in General Services Administration (GSA) owned and leased facilities throughout the United States and its territories. FPS services cover a wide range of activities that have been performed by over 15,000 contract security guards and nearly 1,200 Government personnel, primarily composed of police officers, special agents, and inspectors. Contract security guards are employees of private sector companies, under contract with FPS, that perform fixed-post access control and screening functions. FPS police officers perform patrol activities and respond to calls for service, while FPS Special Agents investigate crimes on GSA controlled property and perform intelligence analysis functions. FPS inspectors are uniformed law enforcement officers that possess the full authority and training of FPS police officers; however, inspectors also are dually trained as physical security experts and provide comprehensive security services including building security assessments, implementing and testing security measures, and monitoring and overseeing the contract guard force.

On an annual basis, FPS conducts nearly 2,500 building security assessments and responds to approximately 1,500 demonstrations. In Fiscal Year (FY) 2006, FPS conducted more than 1,000 criminal investigations for crimes against government facilities and employees and arrested more than 4,000 criminals and fugitives for committing crimes on Federal property. Additionally, contract security guards seized more than 800,000 weapons and other prohibited items prior to

their entry into Federal facilities. FPS provides services to nearly 1,500 facilities categorized as Security Level III or IV (highest risk facilities).

ACTIONS ALREADY TAKEN TO IMPROVE MANAGEMENT

Since FPS' creation in 1971, various studies and reports have been conducted concerning the program and its role in the protection of Federal employees, the buildings that house them, and the public that conducts business in these buildings. These studies were conducted throughout the history of the FPS while it was a component of GSA, and have continued since its transition to DHS. Many of these studies have highlighted serious management and operational challenges facing the program, including systematic funding issues.

I commend Assistant Secretary Myers for taking a strong, proactive role in getting to the root causes of the issues that have faced FPS over the last several years and for working diligently to fix them and enhance the program's effectiveness. In FY 2005, ICE established a Tiger Team to assist FPS in addressing its financial and acquisition management challenges and to recommend process improvements. This was the result of numerous DHS and Congressional inquiries related to late payments to FPS contract guard vendors. Although the Team focused on financial and acquisition management problems that had plagued FPS, it also identified other management and mission concerns for further evaluation. The work of the Tiger Team has resulted in significant progress being made in financial and acquisition management over the past year. These changes have improved financial and acquisition management by boosting compliance with the Prompt Payment as well as increasing training and resources to the contracting function.

Improving Acquisition Efficiency. As mentioned, we have made some initial strides on shoring up the acquisition functions. First, the acquisition functions have been consolidated under the ICE Head of Contracting Activity. Through consolidation, FPS has standardized processes and procedures, improved utilization of contracting staff, and achieved economies of scale. This directly responds to an audit published in October 2006, in which the DHS Inspector General cited the need to improve the oversight of the FPS contract guard program in the National Capital Region. While this continues to be an area of focused attention, I am pleased to report the following significant progress:

- Hired a Contract Guard Program Manager for the National Capital Region;
- Conducted a region-wide post audit;
- Developed and implemented Standard Operating Procedures for the guard program which outline the monitoring, tracking of contract deductions, and suitability processes;
- Increased the number of Contract Officers Technical Representatives (COTR);
- Provided enhanced training to all personnel involved in the inspections process; and as previously mentioned,
- Centralized guard acquisition functions under the auspices of the ICE Office of Acquisition Management.

For the long term, a study was recently completed to baseline the state of the acquisition function at FPS to develop a path forward for instituting improvements. The study identified several

critical areas that require additional focus. These areas have been incorporated into our FPS vision moving forward.

Establishing Sound Financial Management. On the financial management front, FPS has struggled to cover all of its costs within its fee-based structure. In FY 2006, \$29.4 million was reprogrammed to offset a projected existing FPS deficit. In FY 2007, FPS is projected to be financially solvent due to the implementation of basic financial controls and a number of cost-cutting and cost avoidance measures that began in FY 2006. These included a streamlining of the Megacenter function to reduce unnecessary administrative support costs; reducing the FPS vehicle fleet where appropriate; restricting discretionary travel, overtime and training; restricting hiring and promotions to only the most critical; and deferring non-mandatory space moves, among others.

These cost containment efforts also have enabled FPS to use funds for some critical operational needs. For example, in FY 2007, FPS conducted a law enforcement basic training class, along with a Physical Security Academy (PSA) class. Plans call for two additional PSA classes for the remainder of FY 2007. Some key staffing needs are also being addressed due to careful financial management. Critical operations positions have been announced this year, providing for advancement opportunities in both the management and inspector ranks. Moreover, each FPS region has been given a defined budget providing for travel, training, overtime, as well as for critical equipment and supplies.

Clearly, implementation of acquisition and financial management business process improvements has put FPS on firmer ground. However, we also understand that addressing management-related concerns is the basis for ensuring the successful implementation of FPS' mission to protect Federal facilities. As such, Assistant Secretary Myers formed a second Tiger Team in May 2006 to review the FPS operations and structure overall. This team's goal was to define clearly the mission of the FPS; focus its resources toward that mission to ensure a stable working environment; and fully align FPS with ICE and DHS. The results of this second review were the foundation for the FPS Comprehensive Action Plan (Action Plan) that is now underway.

FPS COMPREHENSIVE ACTION PLAN

ICE has been engaged in a top-to-bottom review of FPS's operations to address critical issues, while continuing to provide the highest level of security and protection services to its clients. The move of FPS to DHS from GSA presented a unique opportunity for the FPS program to increase financial accountability and hone a clearly defined homeland security function. We must act now to revamp the program and improve its overall position within homeland security.

As mentioned previously, there is a well-documented case for this program. FPS must be refined to set the gold standard for facility risk assessments, identifying and investigating high risk incidents, and security interventions in Federal facilities across the country.

In addition, FPS must also play an active role in the National Infrastructure Protection Plan (NIPP), as the sector-specific agency for government facilities. The NIPP provides a comprehensive framework for the protection of government facilities, transportation facilities, key infrastructure assets and other facilities from potential terrorist attacks, natural disasters and other emergencies. FPS Inspectors possess expertise in the full complement of physical security and law enforcement capabilities. As a part of their basic training, inspectors successfully complete an intensive four-week Physical Security Academy, held at our state-of-the-art facility at the Federal Law Enforcement Training Center. Consistent with the NIPP, FPS is refocusing on its core physical security mission to include:

- Enforcing Interagency Security Committee (ISC) security standards;
- Conducting timely building security assessments;
- Maintaining and overseeing a strong contract guard program; and
- Testing and constantly re-evaluating security standards based on risk.

By leveraging the integration of FPS' security, response, and recovery capabilities within the NIPP framework, a layered approach to the security of Federal facilities will be achieved.

Together, the NIPP framework and results from the second ICE Tiger Team review provide the underpinnings for the FPS Action Plan. The key components of the Action Plan include:

- Restructuring and streamlining the program to enhance operational effectiveness;
- Developing and implementing a clear strategy related to the role of the FPS as the lead for government facilities within the NIPP;
- Leveraging resources in the areas of information collection and criminal investigation;
- Strengthening and standardizing the contract guard function; and
- Enhancing communication with FPS customers and providing clear expectations of services.

The coming years will be filled with significant change for the FPS program and its dedicated workforce. These changes will result in a more focused program that produces greater security at Federal facilities and for the people who work and visit these facilities. It will also result in better service for the FPS customers and a more productive partnership with the FPS program. Our commitment to the protection of Federal facilities will remain front and center during the refinement process. The mission must be focused and risk-based. This is a responsibility that we share with all client agencies. We must improve FPS' operational effectiveness and ensure that the primary mission is met and that the costs of that mission are fully recovered from our fee structure.

The Action Plan effort will result in a refined and refocused workforce composed primarily of inspectors that possess dual capabilities for providing law enforcement and physical security services that are geared toward high-risk threats and closely aligned with the NIPP. In addition, these resources will be realigned to high-risk locations. This effort will also complete the overhaul of contract management within FPS, which will result in improved contract compliance, contracting cost reductions for client agencies, and appropriate and strong contract

management and will address the concerns raised by DHS Office of the Inspector General. A critical element in the Action Plan is a more active dialogue with FPS partners. The FPS program will create a partnership with GSA and customer agencies to delegate contract management and other authorities where it improves the security posture of the facility and will ensure compliance with FPS security standards.

FPS has established a program management office to track and monitor the Action Plan. The program management office will ensure Action Plan milestones are met and continue to refine FPS.

PERSONNEL AND RESOURCES

The President's FY 2008 Budget includes the resources to support a refined FPS program. Specifically, it includes an increase in the current basic security rate of \$0.39 to \$0.57 per square foot to recover the costs for providing basic security services. The Budget provides an additional \$97 million in estimated fees above the FY 2007 level, including \$37 million for increases in the demand for contract guard services and \$60 million associated with cost increases for current services. The Budget supports 950 full-time equivalent personnel that will be aligned with our NIPP priorities and a risk based methodology. The President's FY 2008 Budget fully maintains existing levels of contract guards. FPS must collect revenue for its services and define its services for its customers.

Currently, FPS employs about 1,200 people including inspectors, special agents, police officers, and support personnel. In addition, the FPS program manages approximately 15,000 contract security guards that serve as its front line in securing Federal facilities throughout the nation. FPS will set security certifications for these contract guards and will increase its emphasis on ensuring compliance with these standards. Coupled with these contract guards are the FPS inspectors who will develop security policy and standards; provide building assessments; and monitor agency compliance with security standards. These inspectors will also have law enforcement responsibilities. The first line of security at Federal facilities will not diminish. A realignment of its resources is necessary to improve the security posture of Federal facilities. Personnel adjustments will improve FPS mission execution, enhancing career opportunities for employees, and improving customer service. ICE is employing various strategies to align the workforce including Voluntary Early Retirement Authority. ICE and FPS will work towards providing its employees with voluntary opportunities to move into new positions and will provide other incentive programs including developmental opportunities. These developmental opportunities will provide employees with the ability to train for new roles within FPS, ICE and DHS.

Assistant Secretary Myers and I are committed to involving the program's employees in the refinement process. This includes involving FPS employees in determining areas for improvement and providing regular communication to employees, as well as FPS customers. To date, over 700 employees have taken advantage of the opportunity to participate in various studies. We appreciate the input of our employees and will continue to keep them abreast of refinement efforts through periodic updates and newsletters.

There is no question that this will be a period of change for the FPS workforce. We realize that the employees are the greatest resource in this vital program. The Action Plan effort will result in a more stable work environment that is focused on its core mission. Employees will be provided growth opportunities through the inspector ranks. The current FPS workforce is deeply committed to the mission and we are confident that they will meet all challenges to create the premier physical security program in the Federal government.

CONCLUSION

Strengthening the FPS program as described in this testimony will result in a more effective security service program for our Federal workforce and the people who conduct business with the Federal government, in addition to addressing numerous intra-governmental studies and customer complaints. The men and women of the FPS are dedicated and believe in the core FPS mission, as does the DHS leadership team. We are aggressively moving forward to succeed in that mission.

It will take several years to accomplish our efforts. ICE and FPS now have the right plan to strengthen this vital capability.

Thank you again, Mr. Chairman and Ranking Member King, for holding this important oversight hearing. I would be pleased to answer any questions.