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Written Testimony

**On the
President's Fiscal Year 2023 Budget**

**Before the
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Committee on Appropriations
Subcommittee on Homeland Security**

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Introduction

Good afternoon, Chairwoman Roybal-Allard, Ranking Member Fleischmann, and distinguished members of the Subcommittee. Thank you for your continued support and the opportunity to appear before you today to discuss the Fiscal Year (FY) 2023 President's Budget for the United States Secret Service (Secret Service). My leadership team worked closely with the Department of Homeland Security (DHS) to develop a budget that addresses the agency's highest priority requirements for the next fiscal year. I am pleased with the progress we have made thus far, particularly in the areas of human capital investments, protective infrastructure, and technologies development, as well as our continued leadership in global investigations. In partnership with this Subcommittee, we look forward to ensuring the success of the Secret Service's integrated mission of protecting our nation's leaders and financial infrastructure.

Before I detail the FY 2023 Budget for the Secret Service, I want to highlight some of the achievements of our workforce. In FY 2021, the Secret Service conducted 4,887 protectee visits, which represents a 15 percent increase over FY 2020. Since I last appeared before the Subcommittee in May 2021, the Secret Service coordinated security for the 76th United Nations General Assembly (UNGA) and President Biden's March 2022 State of the Union Address, both of which were designated National Special Security Events (NSSEs), as well as multiple international trips conducted by the President and the Vice President.

Over the past year, our special agents responded to an average of two cyber network intrusion incidents a day targeting the nation's critical infrastructure and financial payments systems. In addition to our network intrusion investigations, we have been focused particularly on cyber-enabled financial fraud. Our special agents closed an average of six cases a day in 2021. These cyber investigations totaled over \$2.3 billion in potential loss and led to the arrests of 940 suspects. Our highly trained special agents that led these investigations have seized over \$31 million through 313 criminal cases involving the illicit use of digital assets. Further, the Secret Service, through its National Computer Forensics Institute (NCFI), trained 3,718 investigators, prosecutors, and judges from state, local, tribal, and territorial (SLTT) law enforcement, and courts. This instruction provides a national standard of training to investigators, prosecutors, and judges on the methods for investigating cybercrimes, conducting computer and mobile device forensic examinations, and the prosecutorial and judicial challenges presented by digital evidence. NCFI training, both in-person and virtual, has disseminated important information across the country to our network of Cyber Fraud Task Force (CFTF) partners.

This is just a snapshot of the vital work the Secret Service performs regularly to protect our nation's leaders and safeguard the American taxpayer from for-profit cyber criminals targeting our financial institutions. As we look forward to the next fiscal year, the President's FY 2023 Budget for the Secret Service provides for continued staffing growth, preparation for the 2024 Presidential Campaign, the continued recapitalization of our fully armored vehicle (FAV) fleet, critical investments in protective countermeasures, and the lifecycle replacement of obsolescent technologies. The FY 2023 discretionary Budget totals \$2.7 billion, which is an approximately \$92 million increase over the FY 2022 enacted budget. Major program changes include: \$42 million for additional Secret Service staffing, which would result in 8,305 positions; and \$34 million for the 2024 Presidential Campaign to support training and preparations for campaign activities, to include the purchase and repositioning of assets and associated equipment.

Protective Operations

Protection remains the Secret Service's primary focus, providing physical protection for the President and Vice President of the United States, their families, presidential and vice presidential candidates, former Presidents and First Ladies, several high-level Administration officials, visiting foreign heads of state, and NSSEs. With the country's emergence from the COVID-19 pandemic, the agency projects a return of large-scale protective events and increased protectee travel. The Secret Service also leads and manages the planning, coordination, and implementation of operational security plans at designated NSSEs to ensure the physical protection of designated venues, attendees, and Secret Service protectees.

While the Secret Service plans for known future NSSEs, such as the quadrennial nominating conventions, the State of the Union Address, or the Presidential Inauguration, not all NSSEs can be anticipated early enough to allow for inclusion in the Federal budget process. Two-year authority is necessary for the Secret Service to meet protection requirements despite annual fluctuations in the number of NSSEs. In addition, the UNGA, which is typically the agency's largest annual NSSE, occurs in the last month of each fiscal year. A period shorter than the two-year authority could negatively impact the Secret Service's ability to adequately budget and execute resources for other non-pay requirements. Requirements can vary from year to year, and even one additional NSSE can greatly increase necessary expenditures.

Large-scale events that are not designated as NSSEs but require Secret Service involvement add to uncertainties that cannot necessarily be accounted for far in advance. For example, the Secret Service is actively engaging in partnerships with officials from the state of California to prepare for the upcoming Ninth Summit of the Americas, in Los Angeles, CA. This event is scheduled to take place during the week of June 6-10, 2022, and marks the first time the United States has hosted the event since 1994. Although this event was not designated an NSSE, the requirements for implementing a security plan will be similarly staffed and supported. The Secret Service will be responsible for providing protection for over 30 foreign dignitaries and their spouses who have confirmed attendance. Planning is also expected to include a multi-day visit by the President and will require key coordination with our local partners to ensure a safe and secure environment for participants and the public.

The FY 2023 Budget's support of the 2024 Presidential Campaign reflects funding in the lead-up year that helps prepare the Secret Service for the increased operational tempo of the campaign. This funding is critical as the timing of the Secret Service's involvement in presidential campaigns moves progressively earlier each cycle. Although 18 U.S.C. 3056 authorizes protection to begin 120 days from the general Presidential election, there is a growing expectation for the agency's candidate protective services to initiate as early as November 2023, one full year preceding the general election. The funding requested in the President's Budget helps train Secret Service employees and other Federal partners, enabling operational readiness for timely protection requirements as directed by DHS. Much of this training is conducted at the James J. Rowley Training Center (RTC), with additional training provided by instructors traveling around the country to maximize exposure to field-based employees and our partner agencies. This uniform training ensures that the Secret Service will be able to appropriately staff protective details expected to be assigned to candidates during the campaign. In preparation for the 2020 Presidential Campaign, the Secret Service taught 16 one-week Candidate Nominee Operations Section (CNOS) classes at RTC. We anticipate similar campaign detail staffing levels for 2024. Further, as part of our preparation, RTC Regional In-Service Training Program

Managers also coordinated and conducted 11 CNOS Field Based training classes in several of our larger offices throughout the country.

The FY 2023 Budget also supports long-lead equipment purchases and pre-positioning of required assets and equipment to identify threats and mitigate risks to protected candidates and campaign events. Protective equipment and assets such as magnetometers and FAVs will be pre-positioned to regions where candidates have historically spent significant time. As a result of the Subcommittee's targeted investments in prior fiscal years to accelerate the modernization and expansion of our FAV fleet, the Secret Service is now better equipped to respond should candidate protection begin earlier than anticipated.

FAVs are also deployed for protection of the President, Vice President, their families, visiting foreign dignitaries, and other protectees. As part of this ongoing FAV recapitalization program, the Secret Service will continue to armor additional protective vehicles to ensure the safety of our protectees. The goal of this program is to replace our legacy FAV fleet of pre-2008 production model vehicles, which in large number are past their expected service lives, and to expand the FAV fleet to meet growing protective demands. The Secret Service procured 532 base platforms in FY 2019 and is armoring them under contractual agreements with multiple private sector armoring firms. Due to the recent unexpected closure of one of these firms, the Secret Service is awarding new contracts in FY 2022 to complete the recapitalization of the FAV fleet in FY 2024. The FY 2023 Budget includes \$15.4 million to continue armoring the 532 base vehicles and \$7.6 million of funding for repairs, sustainment, and secure storage of the operational armored vehicle fleet. Once the FAV fleet is fully refreshed, lifecycle replacement will begin with the next generation (Gen2) FAV vehicle platform to maintain fleet readiness in the out-years.

Protective Infrastructure and Communications

The FY 2023 Budget for Operational Mission Support provides \$37.5 million in procurement funding to support life-cycle refresh and upgrades to equipment and capabilities supporting the protection of the President and Vice President at the White House complex, the Vice President's residence, and temporary sites. This amount includes physical security and technological measures designed to detect and counter emerging explosive, chemical, biological, radiological, and cyber-threats, as well as critical modernization of operational communications systems.

Improvements made to secure the White House complex include continued progress towards completion of the first phase of the White House fence, consisting of fencing around the White House itself, the east and west wings, and the north and south grounds. The Secret Service, in response to August 2014 Blast Analysis Studies and prior fence-jumping incidents, is currently replacing the legacy White House fence. At just over 13 feet, the new fence is more structurally robust and provides significant anti-climb, intruder detection, and anti-blast structural enhancements that meet Secret Service requirements and National Park Service aesthetic/historic requirements. Currently, construction is proceeding along the north half of East Executive Avenue and is expected to transition to the north half of West Executive Avenue in June 2022. The final segment of Phase One, passing the West Wing, is scheduled to be completed in May 2023. To date, \$81.8 million has been committed. Simultaneously, a Phase Two effort to upgrade the fencing around the United States Treasury building and Eisenhower Executive Office Building portions of the White House complex is in the early design stages using \$1 million in FY 2020 funding and \$1 million in FY 2021 funding.

The FY 2023 Budget also provides \$25 million for continued expansion of the Enterprise Radio Program. This request begins the second phase of the program, replacing systems supporting former President of the United States (POTUS) residences and high-priority protection districts such as Los Angeles, completes the NSSE radio cache replacement, and expands interoperability with partner agencies. The program received funding in FY 2021 for the purchase of: 1500+ handheld radios, completing the agency-wide update; an IT monitoring system; and an expansion to the Enterprise Core and WAVE radio systems. FY 2023 funding includes sustainment of: critical radio systems in Washington D.C.; the Enterprise Core; WAVE radio dispatch; and hybrid-legacy communications systems nationwide.

The FY 2023 funding is the foundation from which the agency will be able to launch further investment in protection-related projects and long-lead time purchases impacted by global supply chain issues. These projects include support for NSSEs, the 2024 Presidential Campaign, and the 2025 Presidential Inauguration. Funding requirements for these projects will be evaluated for immediate mission risk and operational execution.

Strategic Intelligence and Information

The Agency's protective operations are further strengthened by the personnel assigned to the Office of Strategic Intelligence and Information (SII). SII plans, directs, and coordinates all efforts involving the collection, evaluation, and dissemination of operational intelligence and threat information affecting the Secret Service's protective mission. Much of this work is conducted by the Protective Intelligence and Assessment Division (PID), which houses the agency's Open-Source Intelligence Branch (OSB) and the National Threat Assessment Center (NTAC). The FY 2023 Budget supports PID through the annualization of a 168-position staffing growth authorized in FY 2022. This staffing growth addressed critical mission needs associated with OSB and NTAC and allows the Secret Service to continue SII's efforts in support of our protective operations and in training our SLTT partners.

In FY 2021, PID directed the management of more than 2,300 protective intelligence cases. These are investigations that demand the resources of not only PID but also special agents in field offices across the globe, who respond to actionable protective intelligence information passed from the Division. Some of this protective intelligence is harvested by PID's OSB. OSB is responsible for providing open source situational awareness to support protective operations, protective intelligence investigations, and assisting with assessments for protected persons, places, and events. In FY 2021, OSB served approximately 400 subpoenas on social media platforms and internet service providers in furtherance of authorized protective intelligence investigations. OSB also produced almost 21,000 hours of situational awareness research and social media analysis to identify individuals exhibiting concerning behaviors or activities directed toward Secret Service equities (protected persons, events, and facilities).

PID is also home to NTAC. Through the Presidential Threat Protection Act of 2000 (P.L. 160-544), Congress formally authorized NTAC to conduct research on threat assessment and various types of targeted violence; provide training on threat assessment and violence prevention; facilitate information-sharing among agencies with protective and/or public safety responsibilities; provide case consultation on individual threat assessment investigations and for organizations building threat assessment units; and develop programs to promote the standardization of Federal, State, and local threat assessment processes and investigations.

Despite the challenges over the past year presented by the COVID-19 pandemic, NTAC was able to provide 135 training events to nearly 24,000 participants. Legislation to reauthorize NTAC was introduced in both the House and Senate this Congress, with many communities seeing the benefits of NTAC's multidisciplinary team of social science researchers and regional program managers who support and empower our partners to combat the ever-evolving threat of targeted violence impacting communities across the country.

This past March, NTAC released its latest publication "Hot Yoga Tallahassee: A Case Study of Misogynistic Extremism." This new analysis highlighted the role of misogyny in targeted violence. This case study examined the 2018 shooting at a yoga studio in Tallahassee, Florida, during which two women were killed, four more were injured, and the attacker committed suicide. The case study provides a detailed look into the attacker's background and personal history, presenting decades of prior concerning behaviors, many of which were directed at women.

Cyber Investigations and Training

In FY 2021, the Secret Service prevented over \$2.3 billion in cyber financial losses, arrested approximately 940 individuals for cyber financial crimes, responded to over 700 network intrusions, and returned over \$54.5 million to victims of crime. Further, over the last two years, the Secret Service conducted 993 investigations into pandemic relief fund crimes. Much of this work was conducted in partnership with international and domestic law enforcement partners, many of whom are members of the agency's CTFs.

Specialized digital forensic training used by SLTT partners assigned to CTFs, and used in furtherance of transnational criminal investigations, is administered at the NCFI. The NCFI, which is authorized via Public Law 115-76, and whose authorization will expire at the end of FY 2022, provides law enforcement officers and legal and judicial professionals with a comprehensive education on current cyber-crime trends, investigative methods, and prosecutorial challenges. Efforts by legislators to reauthorize NCFI before the end of the fiscal year are underway and include the introduction of bi-partisan legislation in March 2022. Graduates of the basic and advanced digital forensic examiner courses utilize Secret Service-issued computer hardware and software equipment totaling over \$80 million and conduct forensic examinations in a wide range of criminal investigations across the nation. Since 2008, the NCFI has trained almost 18,000 SLTT partners hailing from more than 2,500 agencies throughout all 50 states and five U.S. territories. Further, due to the support of this Subcommittee, 12,600 of these partners have graduated since 2017, which represents 70% of the total graduate population.

In FY 2021, NCFI graduates conducted approximately 121,576 digital forensic examinations and analyzed approximately 19 petabytes¹ of digital forensic evidence. The capabilities gained through this training enables our partners to conduct investigations which have a direct impact to their communities. Investigations include crimes against children, drug investigations, death investigations, violent crimes, cyber fraud, and sex crimes. The President's Budget Request for FY 2023 provides \$30 million, and the NCFI expects to be able to train over 2,100 students, a level of training similar to FY 2020.

¹ One petabyte of data is noted as approximately 500 billion pages of standard printed text.

Secret Service CTFs, which have been able to expand due to investments made by this Subcommittee, are at the forefront of countering criminal cyber activity, and in some instances, leading efforts against illicit activities like ATM unlimited cash-out operations and ransomware attacks. To provide insight on the resources and time it takes to develop and complete a large cyber case, I would like to highlight the Secret Service's investigation into Maksim Berezan, the subject of a ten-year investigation. Berezan was identified as the ringleader behind international ATM and unlimited cash-out operations and various ransomware attacks. He was involved in cyber-crime for years and was a member of a high-level private forum for Russian-speaking cyber criminals called DirectConnection. From 2009 through 2015, he furthered the criminal aims of the forum and worked closely with forum members and other cyber criminals on obtaining and exploiting stolen financial account information. Berezan was also identified by numerous cyber criminals as a manager of ATM and unlimited cash-out operations. He was ultimately apprehended in Latvia and extradited to the United States with assistance provided by Estonian and Latvian authorities. During the search of his residence, currency worth more than \$200,000 and electronic devices storing passphrases to Bitcoin wallets containing approximately \$1.7 million in virtual currency were seized and forfeited by the Secret Service. More than \$10 million in ransom payments flowed into cryptocurrency wallets that he controlled. In April 2021, Berezan pled guilty and in March of this year he was sentenced to five and a half years in prison and ordered to pay over \$36 million in restitution.

The Berezan investigation is part of what the Secret Service believes is an observable trend reflecting a rise in transnational criminal activity associated with illicit use of digital assets. The Secret Service has a long-standing history of success in this space; including the dismantling of two early centralized virtual currency providers that supported extensive criminal activity: e-Gold Ltd. and Liberty Reserve. In addition to dismantling e-Gold Ltd and Liberty Reserve, cryptocurrency providers that were associated with extensive criminal activity, the Secret Service partnered with the Internal Revenue Service in the successful investigation of BTC-e, which, at the time, was one of the world's largest and most widely used digital currency exchanges but was heavily reliant on criminals. This transnational investigation resulted in the indictment and arrest of a Russian national. The Secret Service continues prioritizing the development of international partnerships and partner capability to counter money laundering and other illicit activity involving digital assets. Specifically, from 2015 to today, the Secret Service has opened over 260 cases involving digital currency, resulting in hundreds of seizures valued at \$106 million. With the support of the Administration and Congress, the agency will continue leading efforts to combat cyber-crime, with similar results like those I have outlined here today.

Training Capacity and Infrastructure

As I testified last year, in regard to future projects at RTC, this Subcommittee has provided investments related to the feasibility of a White House Training Facility. In FY 2022, the Secret Service received \$1 million to update a 2016 feasibility study, which is expected to be completed in November 2022 and will provide an updated cost-estimate. The Secret Service continues to believe it is critical for our personnel to train in an environment that replicates our operational surroundings. This belief was echoed in a recommendation featured in the report of the United States Secret Service Protective Mission Panel to DHS in 2014.

For FY 2023, the Secret Service projects conducting 17 mission-critical basic training courses for special agents and 12 mission-critical basic training courses for Uniformed Division officers. RTC also continues to confront challenges posed by the COVID-19 pandemic and, through

carefully implemented mitigation strategies, achieved an incremental return to full, on-site basic and in-service training. In FY 2021, the Secret Service provided training through RTC for over 1,600 classes – attended by over 24,000 students -- and supported nearly 86,000 instances of on-line training. RTC staff has been able to continue to meet the demand of training into FY 2022.

Further, it is important to note that the infrastructure at RTC is aging, in critical need of upgrade or replacement, and limited in size and capacity. Thanks to this Subcommittee, we are continuing to successfully address critical facilities maintenance needs.

Human Capital

The Secret Service's integrated mission continues to grow both in size and complexity – increasingly sophisticated financial cyber-crimes, evolving weapon technology, and more demanding presidential campaigns all require more of Secret Service workforce in both skillset and quantity. The FY 2023 Budget includes a staffing increase of 200 positions (100 FTE) to help the agency reach its staffing target. Those positions will include a growth of 130 SA; 38 UD officers; 22 APT; and ten TLE personnel. Meeting the FY 2023 staffing target level of 8,305 will require the Secret Service to onboard 962 new hires (attrition replacement plus growth) as follows: 424 SA; 261 UD; 242 APT; 35 TLE.

The Secret Service has worked diligently to update hiring and onboarding processes across all job series in the agency, as well as working to address attrition. These efforts resulted in the Secret Service successfully achieving staffing targets in FY 2021 with the time-to-hire established at 238 days to onboard. Funding requested in the FY 2023 Budget will be used for two purposes. First, the agency will continue to administer computer-based tests to law enforcement applicants, which will expedite hiring by screening out unqualified candidates, thus increasing the efficiency of the overall hiring process. The second purpose for funding is to update the current assessments and bring them in line with updated protocol and processes. Any new assessments will be in line with industry standards to ensure effectiveness.

It is critical to the Secret Service to hire the highest qualified candidates who can operate under unique and extreme conditions. Strengthening the Secret Service workforce includes increasing our diversity. One way in which this is currently being accomplished is with specific recruitment and retention initiatives for women in law enforcement. In March 2022, I announced to the workforce a long-term, focused effort designed to strengthen our female law enforcement personnel representation in the agency, and our public-facing website now has a direct link for potential female applicants. Further, we hosted several outreach events aimed specifically at potential female applicants, to include a recent event for an audience of female students and alumni of Hispanic Serving Institutions on the east coast.

I would also like to highlight the recent hiring of a new Executive Chief (EC) for the Office of Equity and Employee Support Services. As the agency's senior-level appointee, the EC provides strategic advice, guidance, and direction to the agency's executives, supervisors, managers, and employees on all matters pertaining to Equal Employment Opportunity, and Diversity, Equity, Inclusion, and Accessibility (DEIA). The EC will also oversee the Secret Service's Inclusion and Engagement Council, which engages with our talented employee base to identify forward thinking measures that leverage the full range of diversities across the organization.

The Secret Service's staffing growth is balanced with the agency's return to office operations. As the Secret Service managed and adapted to the impacts of the pandemic, the agency successfully adopted a hybrid work environment focused on making the work lives of our personnel more purposeful, productive, agile, and flexible. As of February 2022, the Secret Service became DHS's first component to successfully implement its Return-to-Work Operations Plan. However, I would also note that our return to work was largely a formality for those tasked with the operational aspects of our integrated mission. Whether on post outside the White House, traveling in support of a protective detail, working criminal investigations, supporting an NSSE, providing critical COVID-19 testing to ensure readiness, or a myriad of other mission support activities, the Secret Service's frontline workforce remained fully functional thanks to our dedicated personnel. Throughout the pandemic, the Secret Service also coordinated closely with our federal, state, and local medical partners, including the Safer Federal Workforce Taskforce (SFWT), to ensure preventative protocols were appropriate to mitigate associated risks caused by COVID-19. As we continue to evaluate the global impacts of the pandemic, the Secret Service will monitor information and guidance provided by DHS, the Center for Disease Control, the SFWT, and our medical partners.

Conclusion

Chairwoman Roybal-Allard, Ranking Member Fleischmann, and distinguished members of the Subcommittee, thank you for your time today. I am honored to represent the dedicated professionals of the Secret Service who work tirelessly on behalf of the American people to maintain our standing as one of the world's preeminent law enforcement organizations. The Secret Service fosters a culture of world-class training and ongoing professional development for all employees. Our successes would not be possible without a cadre of mission support professionals who seamlessly adapted to an ever-changing and evolving work environment. As part of DHS, the Secret Service will continue to face challenges across both an evolving threat landscape and individuals or groups targeting our financial critical infrastructure. With the continued support of the Administration and the Congress, I am confident the Secret Service will remain prepared to address the high tempo demands of our mission.

On behalf of the dedicated workforce who carry out our mission everyday throughout our country and around the world, I appreciate the targeted investments provided by this Subcommittee over the past several fiscal years. This support has amplified our successes in a range of operational areas, sustained our efforts to accelerate hiring, helped improve morale and employee engagement, strengthened our partnerships with SLTT law enforcement, and provided for the replacement and enhancements of obsolescent protective assets. Looking ahead, I believe the Secret Service will end FY 2022 on solid ground and will continue to meet the complex cyber challenges that threaten our economy and remain the world's preeminent protection force.

Thank you for the opportunity to appear before you to discuss the FY 2023 President's Budget Request for the Secret Service. I hope my testimony here today is helpful and I welcome your partnership and counsel as we strive for operational excellence.

This concludes my testimony. I look forward to your questions.