

HOW CAN THE UNITED STATES SECRET SERVICE EVOLVE TO MEET THE CHALLENGES AHEAD?

HEARING

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND PROTECTIVE SECURITY

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

JUNE 8, 2017

Serial No. 115-19

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PUBLISHING OFFICE

27-612 PDF

WASHINGTON : 2017

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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HOW CAN THE UNITED STATES SECRET SERVICE EVOLVE TO MEET THE CHALLENGES AHEAD?

Thursday, June 8, 2017

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND
PROTECTIVE SECURITY,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:04 p.m., in room HVC-210, Capitol Visitor Center, Hon. John Katko (Chairman of the subcommittee) presiding.

Present: Representatives Katko, Higgins, Fitzpatrick, and Watson Coleman.

Also present: Representative Jackson Lee.

Mr. KATKO. The Committee on Homeland Security, Subcommittee on Transportation and Protective Security, will come to order.

The subcommittee is meeting today to examine how the United States Secret Service can more effectively achieve its mission of protecting the Nation's leaders and financial systems. This hearing will address agency staffing, recruitment, and morale improvement efforts as well as agency challenges, such as resource constraints and misconduct.

I now recognize myself for an opening statement.

The subcommittee meets today to hold our first Secret Service-related hearing of the 115th Congress. Since this panel was tasked with overseeing the United States Secret Service just this year, I have already come to appreciate as well as my colleagues have the significant contributions this agency makes to the functioning of our Government as well as the challenges it faces in manpower, funding, and perhaps most important, morale.

Having recently visited the headquarters of the Secret Service with Ranking Member Watson Coleman and other Members of the subcommittee, I have seen the incredibly detailed and challenging work the men and women of this agency are accomplishing every day to safeguard our Nation's leaders and ensure the security of America's financial system.

While visiting the agency, I was briefed on investigations aimed at protecting businesses and individuals from financial crimes all across the country, even within the district I represent encompassing the Syracuse, New York area.

Not only is this our first Secret Service hearing of the 115th Congress, but it is also the first time Director Alles has testified before us in his new appointed capacity as head of the Secret Service.

May I say, Director, in your previous career as a general, we want to thank you for your many, many years of service.

Mr. ALLES. Thank you, sir.

Mr. KATKO. We appreciate all you have done for your country.

Mr. ALLES. Thank you.

Mr. KATKO. For that, we welcome the new director and look forward to hearing more about his vision on how to improve and transform the agency moving forward. Indeed, most Americans know the Secret Service for its visible role of protecting the President and Vice President and their families from threats to their safety. However, the agency also conducts elaborate, in-depth investigations related to financial and cyber crimes, which cut straight to the heart of the overall Homeland Security mission of the Department of Homeland Security.

For example, on March 1 of this year, the Secret Service, in conjunction with a number of other Federal law enforcement partners, helped to facilitate the arrest and indictment of 19 people charged with defrauding 170 people, primarily in the United States, out of more than \$13 million.

Further, in November 2016, the Secret Service conducted the largest-ever seizure operation of \$30 million in counterfeit U.S. currency in Peru.

For the purpose for highlighting these operations is to note that these massive investigations were happening simultaneously with the Secret Service experiencing unprecedented strains on its protective missions, protecting such high-profile events as the U.N. General Assembly, a number of last year's Presidential candidates, the Republican and Democratic National Conventions, and the recent Presidential inauguration, to name a few. If I am not mistaken, it also included the Pope visiting New York City.

Unbelievable job on all of those things, and the fact that all of them were safe is a testament to the professionalism of the Secret Service, and we thank them for that. Throughout all this, the agency has been professional and diligent, and for that I commend the men and women of the Secret Service.

With unprecedented mission requirements and a demanding work environment, it is concerning to see that over the last few years all kinds of measurables have shown consistent decreases in work force morale and sometimes performance at the agency.

Through Congressional oversight, third-party reviews, and internal agency initiatives, the Secret Service has been given a number of recommendations to improve morale, retention, and recruitment.

While many of these have been adopted, this hearing will allow the subcommittee to delve into what more needs to be done to provide the Secret Service with the resources needed to continue fulfilling its mission, adequately staffing operations, and improving morale as we enter a new administration.

No doubt, with this new administration comes new protective missions, challenges, and resource constraints which require Congressional review to ensure efficiency and effectiveness. Oftentimes, the Secret Service is an agency that prefers to keep its head down

and carry out its missions diligently, away from the spotlight. However, we here in the subcommittee have a mandate to pay close attention to the successes, challenges, needs, and efforts of the Secret Service. I hope that the testimony before us today will delve into these issues and inform our work as we commit to working in a partnership with the Secret Service.

The men and women working to carry out the mission of the Secret Service comprise one of the finest law enforcement agencies in the world, and we owe it to them to be responsible overseers for them and give them the tools they need to successfully do their job. Whether it be the Secret Service's special agents, criminal investigators, intelligence analysts, Counter Assault Team, Emergency Response Team, Airspace Security Branch, or Electronic Crimes Task Force, we need to ensure that the agency is well-positioned to carry out its critically important mission and enhance the stability of our homeland security enterprise.

With that, I recognize the Ranking Member of the subcommittee, the gentlelady from New Jersey, my friend, Mrs. Watson Coleman, for an opening statement.

[The prepared statement of Chairman Katko follows:]

STATEMENT OF CHAIRMAN JOHN KATKO

JUNE 8, 2017

The subcommittee meets today to hold our first Secret Service-related hearing of the 115th Congress. Since this panel was tasked with overseeing the United States Secret Service just this year, I have already come to appreciate the significant contributions this agency makes to the functioning of our Government, as well as the challenges it faces in manpower, funding, and morale. Having recently visited the headquarters of the Secret Service with Ranking Member Watson Coleman and other Members of the subcommittee, I have seen the incredibly detailed and challenging work the men and women of this agency are accomplishing every day to safeguard our Nation's leaders and ensure the security of America's financial system. While visiting the agency, I was briefed on investigations aimed at protecting businesses and individuals from financial crimes all across the country, even within the district I represent encompassing the greater Syracuse area.

Not only is this our first Secret Service hearing of the 115th Congress, but it is also the first time Director Alles has testified before us in his newly-appointed capacity as head of the Secret Service. For that, we welcome the new director and look forward to hearing more about his vision on how to improve and transform the agency moving forward.

Indeed, most Americans know the Secret Service for its more visible role in protecting the President, Vice President, and their families from threats to their safety. However, the agency also conducts elaborate, in-depth investigations related to financial and cyber crimes, which cut straight to the heart of the overall homeland security mission of DHS. For example, on March 1 of this year the Secret Service, in conjunction with a number of other Federal law enforcement partners, helped facilitate the arrest and indictment of 19 people charged with defrauding 170 people, primarily in the United States, out of more than \$13 million. Further, in November of 2016, the Secret Service conducted the largest-ever seizure operation of \$30 million in counterfeit U.S. currency in Peru.

The purpose for highlighting these operations is to note that these massive investigations were happening at the same time that the Secret Service was experiencing unprecedented strains on its protective mission—protecting such high-profile events as the U.N. General Assembly, a number of last year's Presidential candidates, the Republican and Democratic National Conventions, and the recent Presidential Inauguration. Throughout all of this, the agency has been professional and diligent and for that, I commend the men and women of the Secret Service.

With unprecedented mission requirements and a demanding work environment, it is concerning to see that over the last few years measurements have shown consistent decreases in workforce morale at the agency. Through Congressional oversight, third-party reviews, and internal agency initiatives, the Secret Service has

been given a number of recommendations to improve morale, retention, and recruitment. While many of these have been adopted, this hearing will allow the subcommittee to delve into what more needs to be done to provide the Secret Service with the resources needed to continue fulfilling its mission, adequately staffing operations, and improving morale as we enter a new administration.

With this new administration comes new protective missions, challenges, and resource constraints which require Congressional review to ensure efficiency and effectiveness. Oftentimes, the Secret Service is an agency that prefers to keep its head down and carry out its mission diligently away from the spotlight. However, we here on this subcommittee have a mandate to pay close attention to the successes, challenges, needs, and efforts of the Secret Service.

I hope that the testimony before us today will delve into these issues and inform our work as we commit to working in partnership with the Secret Service. The men and women working to carry out the mission of the Secret Service comprise one of the finest law enforcement agencies in the world—and we owe it to them to be responsible overseers. Whether it be the Secret Service's special agents, criminal investigators, intelligence analysts, counter-assault team, emergency response team, airspace security branch, or electronic crimes task force, we need to ensure that the agency is well-positioned to carry out its critically important mission and enhance the stability of our homeland security enterprise.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman.

I want to thank the witnesses for being here today.

Director Alles, thank you for taking on this responsibility of leading the Secret Service. I do appreciate your willingness to serve the country. I do associate myself with the fine things that my Chairman has mentioned with regard to your former career, and I look forward to establishing a working relationship with you.

Mr. Roth, it is always good to see you here.

I will start by saying that I am very concerned about the institutional, operational, and budgetary challenges that the Secret Service currently faces. Even prior to the election of Donald Trump, the Secret Service was plagued by low staff morale, low recruitment, low retention, source limitations, and cultural problems.

Then we get to 2016. In that Presidential election year, the Secret Service was busier than ever protecting multiple Presidential candidates, protecting President Obama, and overseeing security for major National and international events. The Secret Service remarkably rose to the occasion, did it all, and did it with low staff numbers.

The demands of carrying out the protective mission has only expanded since the election. Today, the Secret Service must provide protection for the President, the First Lady, his children, including his adult children who travel regularly for business and pleasure to places like Uruguay, the UAE, and the Dominican Republic, Canada, and Aspen, Colorado. Through the winter, the President traveled weekly to his private club, the Mar-a-Lago Golf Club.

Agents involved in currency and cyber investigation work have had to be reassigned to duties in New York City, since the First Lady has continued to reside in the heart of Manhattan. Agents have been forced to crisscross the globe at what seems like a record pace. While President Obama's travel totaled roughly \$97 million for the entire 8 years of his Presidency, Donald Trump's travel cost taxpayers \$20 million in just the first 80 days of his Presidency.

Beyond the dollars and cents, though, there is a hidden cost, the time that the men and women who bravely serve in the Secret Service are taken away from their other homeland security and investigative work as well as their families as they shadow the globe-trotting Trumps. That is a tongue twister. I have heard story after

story of Secret Service agents burning out, and we need to talk about this. Many of the burnout stories I heard were before Donald Trump took office, and I hope to hear today how the Trump family's jet-setting lifestyle is impacting our Secret Service.

Financial resources are also of great concern to me. Particularly, I am concerned that the Secret Service protection is being used while members of the Trump family are pursuing business interests abroad on behalf of the President at the expense of taxpayers, and I will be introducing a bill in the coming days to prevent the President from becoming enriched from these taxpayer dollars.

In March, we learned that the Secret Service asked the Office of Management and Budget for an additional \$60 million to carry out its current obligations. It was reported then that the White House flatly rejected the request. If that is true, that is absurd.

Here you have an agency stretched thin prior to the administration, their protectee assignments increased significantly with the new administration, then they asked for additional money to absorb the new costs incurred, and they were rebuffed.

I have little confidence that the President's budget proposal that was released 2 weeks ago is adequate for the agency. I hope that we hear today some honest expert opinions on what the Secret Service needs to address its long-standing challenges and carry out its mission.

I also hope that we get a chance to hear today how the Secret Service is addressing some of the long-standing concerns on management practices which came to light in the Moore racial discrimination litigation and the recommendations that were made by the Protective Mission Panel.

Mr. Chairman, I do want you and everyone on our subcommittee to know that I am here to work hand-in-hand with you and to help provide the Secret Service with needed resources and oversight. I hope that Director Alles' leadership will pick up where Director Clancy left off in implementing key reforms to improve the agency's performance, address staffing challenges, and elevate the agency's standing with employees and prospective employees.

Once again, I want to thank both witnesses for appearing before us today. I look forward to our testimony.

With that, I yield back the balance of my time, Mr. Chairman.
[The statement of Ranking Member Watson Coleman follows:]

STATEMENT OF RANKING MEMBER BONNIE WATSON COLEMAN

JUNE 8, 2017

I will start with saying that I am very concerned about the institutional, operational, and budgetary challenges that Secret Service currently faces. Even prior to the election of Donald Trump, the Secret Service was plagued by low staff morale, low recruitment, low retention, resource limitations and cultural problems.

Then we get to 2016. In that Presidential Election year, the Secret Service was busier than ever protecting multiple Presidential candidates, protecting President Obama, and overseeing security for major National and international events. The Secret Service remarkably rose to the occasion and did it all, with low staff numbers. The demands of carrying out the protective mission have only expanded since the election.

Today, the Secret Service must provide protection for President Trump, the First Lady, his children—including his adult children who travel regularly for business and pleasure to places like Uruguay, UAE, the Dominican Republic, Canada, and Aspen. Through the winter, the President traveled weekly to his private club in

Florida, the Mar-a-Lago Golf Club. Agents involved in currency and cyber investigative work have had to be reassigned to duties in New York City, since the First Lady continues to reside in the heart of Manhattan. Agents have been forced to crisscross the globe at what seems like a record pace. While the cost of President Obama's travel totaled roughly \$97 million for the entire 8 years of his presidency, President Trump's travel cost taxpayers \$20 million in just the first 80 days.

Beyond the dollars and cents, there is a hidden cost—the time that the men and women who bravely serve in the Secret Service are taken away from their other homeland security and investigative work as well as their families—as they shadow the globe-trotting Trumps. I have heard story after story of Secret Service agents burning out and we need to talk about this. Many of the burnout stories I heard, were before President Trump took office. I hope to hear today how the Trump family jet-setting lifestyle is impacting the Secret Service.

Financial resources are also of great concern to me. Particularly, I am concerned that the Secret Service's protection is being used while members of the Trump family are pursuing business interests abroad on behalf of the President at the expense of taxpayers. I will be introducing a bill in the coming days to prevent the President from becoming enriched from the taxpayer dollars.

In March, we learned that the Secret Service asked the Office of Management and Budget for an additional \$60 million to carry out its current obligations. It was reported that the White House flatly rejected the request. If true, that is absurd. Here you have an agency stretched thin prior to the new administration, their protectee assignments increase significantly with the new administration, then they ask for additional money to absorb the new costs incurred and they are rebuffed. I have little confidence that the President's budget proposal that was released 2 weeks ago is adequate for the agency. I hope that we hear today some honest, expert opinions on what the Secret Service needs to address its long-standing challenges and carry out its mission.

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Mr. KATKO. Thank you, Mrs. Watson Coleman.

Other Members of the committee are reminded that opening statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

JUNE 8, 2017

Director Alles, we appreciate your background, including your tenure at the Customs and Border Protection. The Secret Service shares some of the same challenges as the CBP. I hope that your CBP experience will translate to improvements at the Secret Service. Similar to CBP, the staff of the Secret Service is overworked, often forced to work overtime in positions where getting it right is essential to keeping Americans safe.

One of the recommendations of the Secret Service Protective Mission Panel was to find leadership from outside of the Service so that top-level leadership would have a fresh perspective on how the agency should be run. I am pleased that that recommendation was fulfilled. I hope today's conversation will highlight other recommendations from the Protective Mission Panel and their status.

The dedication of the men and women of the Secret Service is indisputable; however, the law enforcement agency has been plagued with cultural problems and management challenges that often overshadow the Secret Service's accomplishments.

Earlier this year, the *Moore v. Johnson* legal settlement was an important step in the Secret Service rejecting historic routine and unfair promotion practices. While the settlement was agreed to in January, there are many milestones that will need to be achieved under the terms of the settlement. I look forward to discussing the steps that the Secret Service has taken to address the terms of the Moore settlement.

In addition to cultural and management issues, there have been media accounts of resource shortfalls. I have heard reports of personnel constraints for the USSS. Most concerning are the reports that the USSS may have an insufficient number of agents to handle its increased protectee responsibilities.

Since Donald Trump became the President, the USSS is covering considerably more protectees but is down 250 special agents and 350 administrative and technical staff members compared to its peak at the beginning of the Obama administration.

Further, reports have indicated that personnel shortages have prompted field offices around the country to reassign personnel to activities unrelated to their usual criminal investigations duties.

Reportedly, the New York field office has had to reassign nearly a third of the staff from their criminal investigation duties to protective assignments. I hope to hear today how the adjustments that have been made for the benefit of the protectees has impacted the Secret Service's mission.

With all the challenges of the Secret Service, one thing very clear and that is without the support of Congress, the Secret Service will not be able to improve. I look forward to hearing today about ways Congress can be a better partner in helping the agency complete its mission.

Mr. KATKO. We are very pleased to have with us two very distinguished witnesses to speak on this important topic. Let me remind the witnesses that their entire written statements will appear in the record.

Our first witness is Director Randolph Alles, who was confirmed in April 2017 as the 25th director of the United States Secret Service in their long and storied existence.

Director Alles oversees the agency's missions in more than 150 offices throughout the United States and abroad. Prior to this appointment, Director Alles was the acting deputy commissioner of the U.S. Customs and Border Protection, serving as the chief operating officer.

The director served in the U.S. Marines for 35 years, retiring as major general.

Sir, thank you for your service again and dedication to the country.

The Chair now recognizes Director Alles to testify.

STATEMENT OF RANDOLPH D. "TEX" ALLES, DIRECTOR, U.S. SECRET SERVICE, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. ALLES. Thank you very much, Chairman Katko and Ranking Member Watson Coleman and distinguished Members of the committee. It is a privilege to appear before you today and to represent the outstanding men and women of the Secret Service.

Since my swearing in as the 25th director, I have met personnel across all job categories and I am reassured by their professionalism and their commitment to the agency's mission. It is not lost on me that I am the first director to be named from outside the organization in over 70 years. The last director in 1947 was the last non-agency director.

So although I face a steep learning curve to understand this unique law enforcement agency, I believe the mission focus of the Secret Service has much in common with the ethos of my entire career. My experience as a military officer with the Marine Corps and serving as the acting deputy commissioner over at Customs and Border Protection have provided me with common ground to successfully lead the agency.

So I would like to take a moment to recognize the protection successes of the agency and its public safety partners at all levels. Over the past 2 years, the Secret Service coordinated security for over 11 National special security events and the Pope's visit to Washington, New York, and Philadelphia, the National political conventions, and the Presidential inauguration.

More recently, in locations faced with the persistent threat of terrorist attack, Secret Service personnel effectively coordinated the complex security arrangements for the 11-day foreign trip of Vice President Pence throughout Southeast Asia and Australia and the 8-day foreign trip by President Trump to Saudi Arabia, Israel, Belgium, and Italy.

So even as protection has been and remains our primary focus, the agency has prioritized its resources to effectively further the investigative mission. In fiscal year 2016, our field officers closed over 3,500 criminal cases resulting in over 2,100 arrests.

The agency remains committed in advancing its capabilities to stop cyber criminals like Roman Seleznev as they develop innovative ways to compromise our financial institutions. Seleznev, one of the most prolific traffickers of credit card data in the past 10 years, targeted over 3,000 banking and financial institutions, which incurred a total loss of \$169 million. The long and painstaking investigation conducted by our personnel working closely with several State and local partners resulted in Seleznev's arrest and subsequent 27-year Federal prison sentence.

It should be noted that the accomplishments of the agency have been borne by a work force that continues to be significantly understaffed to meet current operational demands. This has caused an undue burden on the existing work force and has contributed to an attrition rate that is far too high.

Staffing, retention, and improving morale are top priorities. I am fully devoted to addressing these problems and have already implemented some promising solutions recommended by our employees and our senior leaders. For example, we have put in place several efficiencies in our employment practice, reducing the hiring time from more than 15 months to just 4 months.

Hiring the best candidates and reducing attrition are critical to the agency's endurance as a top law enforcement organization. These men and women are among the most highly skilled in the Federal work force. Their skill sets and professionalism make them highly desirable across Government and the private sector. It is clear that increasing staffing to healthier levels will likely have a positive effect on attrition and retention, contributing to a better work life balance and increased training opportunities.

There is no quick fix when it comes to growing staffing levels, although the agency requires time to fully realize its personnel needs. We will not take short cuts to compromise our high standards.

We are building on the momentum of our positive recruitment efforts. In fiscal year 2017, we expect to hire about 300 special agents, 280 Uniformed Division officers, 260 administrative, professional, and technical staff. Our Strategic Human Capital Plan includes an additional 450 special agents, 150 Uniformed Division, and 300 APTs by the end of fiscal year 2019.

So while we have made significant progress in our hiring goals, we realize these achievements have the effect of running in place if attrition is ignored. The agency's retention efforts have targeted every sector of our work force. With the assistance of the Department and Congress, we have implemented the UD Retention Bonus Program as well as student loan repayment and tuition assistance programs.

The 114th Congress passed H.R. 6302, the Overtime Pay for Protective Services Act of 2016, which allowed our personnel to be compensated above the statutory salary cap for the 2016 Presidential campaign year. That was a tremendous morale boost, and I thank you all for seeing that through to its successful completion, and I see that as a substantial challenge now and going forward.

So in closing, I would like to thank former Director Clancy for his commitment that he exhibited while he was the Director of the organization. His efforts on the work force and its critical mission have resulted in the progress mentioned to date. I also would like to take this opportunity to thank retired Chief Kevin Simpson for his leadership in the Uniformed Division.

So as we move forward, I intend to focus considerable effort on the continual improvement of the agency to include the Secret Service security posture at the White House, increased staffing and funding levels, while reinforcing core principles of leadership and professionalism which are critical to success.

So Chairman Katko, Ranking Member Watson Coleman, and Members of the committee, this concludes my oral testimony, and I welcome any questions that you have. Thank you very much.

[The prepared statement of Mr. Alles follows:]

PREPARED STATEMENT OF RANDOLPH D. "TEX" ALLES

JUNE 8, 2017

Good morning Chairman Katko, Ranking Member Watson Coleman, and distinguished Members of the committee. Thank you for the opportunity to appear before you today to represent the outstanding men and women of the U.S. Secret Service (Secret Service). Since my swearing in as the twenty-fifth director, I have met with many of our personnel across all jobs and mission categories and I am reassured by their professionalism and commitment to the Secret Service missions.

It is not lost on me that I am the first Secret Service director to be named from outside the agency in over 70 years. Although I face a steep learning curve to understand this unique law enforcement agency, I believe the mission focus of the Secret Service has much in common with the ethos of my entire career. My experiences to date as a military officer with the U.S. Marine Corps and most recently as acting deputy commissioner with U.S. Customs and Border Protection, have provided me with significant common ground with our personnel and have prepared me to successfully lead the agency.

I would like to take a moment to recognize the numerous accomplishments of the Secret Service over the past 2 years. In this time period, our personnel have coordinated security for 11 National Special Security Events (NSSEs), including two State of the Union addresses, the Nuclear Security Summit in Washington, DC, two United Nations General Assemblies (UNGA) (70 and 71), the visit of Pope Francis to the United States, which included Washington, DC, New York, NY and Philadelphia, PA; the Republican and Democratic National Conventions, and the Presidential Inauguration. In support of these NSSEs, the Secret Service Uniformed Division and its DHS partners screened more than 6 million members of the public at the events. It is worthy to note that UNGA-70 and the Papal visit to New York City occurred simultaneously—never before had the agency been faced with coordinating security for two concurrent NSSEs.

In fiscal year 2016, the Secret Service realized a 38 percent increase in total protective stops compared to fiscal year 2015, as well as a 32 percent increase in cam-

paigh-related stops over fiscal year (the last Presidential campaign without an incumbent). More recently, the Secret Service secured several large-scale events, to include the International Monetary Fund and World Bank Group Spring Meeting, and an 11-day Vice Presidential foreign trip throughout Southeast Asia and Australia. In addition, the Secret Service successfully secured a number of protective stops during the President's recent 8-day foreign trip to Saudi Arabia, Israel, Belgium, and Italy.

Even as protection has been and remains our primary mission focus, the investigative mission of the Secret Service is critically important and noteworthy. We have prioritized our limited resources to effectively further the investigative mission. In fiscal year 2016, in the midst of a demanding Presidential campaign year, our field personnel closed 3,592 criminal cases resulting in 2,125 arrests. Our cyber investigations prevented \$558 million in potential loss and \$124.5 million in actual loss in fiscal year 2016. The agency remains committed to advancing its capabilities to protect America's financial infrastructure to stop cyber criminals as they develop advanced malware to compromise the computer networks of U.S. financial institutions and businesses. In fact, to better support these investigations, we have updated our training curriculum to include basic cyber training for all new incoming Special Agents.

Criminal investigations provide opportunities for Secret Service personnel to forge partnerships with Federal, State, and local law enforcement and prosecutorial partners to promote support for our integrated missions. The Nation-wide network of Electronic and Financial Crime Task Forces (ECTF/FCTF) and the cyber forensic training available through the National Computer Forensic Institute (NCFI) allow for the sharing of investigative resources with law enforcement at all levels.

Last, through our international law enforcement relationships, the Secret Service partners with vetted anti-counterfeit efforts in South America to reduce the production, sale, and distribution of counterfeit U.S. currency within Colombia and Peru and its export to other countries. The latest effort, termed Project South America, seized \$22.9 million in counterfeit notes, arrested 102 individuals and suppressed one counterfeit operation in fiscal year 2016.

I want to stress the above-mentioned accomplishments have been borne by a workforce that continues to be significantly understaffed to meet current and emergent operational demands. This has caused an undue burden on the existing workforce and has contributed to an attrition rate that is far too high. Leadership, morale, hiring, retention, and securing adequate resources are my top priorities for the agency. I am fully focused on these problems and we are implementing solutions.

HUMAN CAPITAL (HIRING AND RETENTION)

The Secret Service remains dedicated to our human capital and we realize, as with any elite organization, that our people are our most important asset. A healthy, robust workforce benefits all involved and allows us to achieve excellence in our integrated mission. Increased staffing is the key to enabling improved quality of life and to providing training opportunities for our employees. In 2015, the Secret Service hired 207 Special Agents, 151 Uniformed Division Officers and 125 Administrative, Professional and Technical (APT) staff members. In 2016, amidst the extraordinary protective tempo of the Presidential Campaign, the agency hired 327 Special Agents, 309 Uniformed Division officers, and 194 APT staff members, giving us the highest total employee population we have had since 2012. In addition, the Office of Human Resources has been able to reduce applicant processing time for Special Agents and Uniformed Division Officers from approximately 15 months to 4 months.

Hiring and reducing attrition is critical to the agency's success. The men and women of the Secret Service are among the most highly skilled in the Federal workforce. Their skillsets and professionalism make them highly desirable across Government and the private sector. It is clear that increasing staffing to healthier levels will have a positive effect on attrition and retention—contributing to a better work/life balance and increased training opportunities. There is no quick fix when it comes to increasing staffing levels. Although the agency requires time to fully realize its personnel needs, we will not take shortcuts that compromise our high standards.

We are building on the momentum of our fiscal year recruiting efforts. In fiscal year 2017, we expect to hire approximately 300 Special Agents, 280 Uniformed Division officers, and 260 APTs. Our Strategic Human Capital Plan includes an addition of 450 Special Agents, 150 Uniformed Division Officers, and 300 APTs by the end of fiscal year 2019. The tireless efforts of our Human Capital Division, Security Management Division, field offices, and the James J. Rowley Training Center, in co-

ordination with the Federal Law Enforcement Training Centers, are making this possible.

While we have made significant progress on our hiring goals, we realize these achievements have the effect of running in place if attrition is ignored. The agency's retention efforts are targeted to every sector of our workforce. With the assistance of the Department and Congress, we have implemented the Uniformed Division Retention Bonus Program, as well as student loan repayment and tuition assistance programs. Two additional examples of retention tools are an updated telework policy to allow more workforce flexibility, and revitalized Senior Special Agent and Senior Resident Agent programs. The Secret Service has also implemented an agency-wide APT Career Progression Plan and is very close to implementing a child care subsidy program. Additionally, the 114th Congress passed H.R. 6302, the Overtime Pay for Protective Services Act of 2016, which allowed our personnel to be compensated above the statutory salary cap (up to level II of the Executive Schedule) for the 2016 Presidential Campaign year. This was a tremendous morale boost to a workforce that had experienced an operational tempo unlike any other. We will continue to work together with Congress, the Department, and the administration to institute additional legislative measures to improve overall staffing, training, morale, and the work/life balance of our entire workforce.

To accommodate increased hiring, our Office of Training has adjusted to meet training needs. In addition to growing its training staff, the Rowley Training Center has begun a series of capital improvements to meet the needs of our workforce. Upgrades and investments include a new canine facility and shooting ranges, which improve the capacity and capability to provide exceptional training. With continued long-term investments, the Secret Service can provide the type of immersive, real-life, integrated training that will befit our premier law enforcement personnel into the future.

A COMMITMENT TO EXCELLENCE

A commitment to excellence requires a focus on both mission and employee. To that end, a number of external studies have examined agency capabilities and employee well-being. I would like to briefly summarize some of the studies and findings significant to our future as an agency.

The independent Protective Mission Panel (PMP) was created in 2014 by then-Secretary of Homeland Security Secretary Jeh Johnson to conduct an assessment of the security at the White House. The work of the PMP has led the Secret Service to examine and adopt best practices throughout organization in areas such as training, operations, and engagement with every member of the workforce.

A year after the PMP issued its report, the Secret Service invited the panel members to meet with former Director Clancy to discuss the progress made and to obtain input to ensure the actions taken were consistent with the intent of their recommendations.

In November 2016, the DHS Office of Inspector General (OIG) issued its report on the status of the Secret Service's implementation of the PMP recommendations and noted that fully addressing some will take considerable time, funding, and stakeholder support. The OIG stated:

"The Secret Service has clearly taken the PMP's recommendations seriously, which it has demonstrated by making a number of significant changes. Specifically, it has improved communication within the workforce, better articulated its budget needs, increased hiring, and committed to more training. Using funding appropriated for PMP initiatives, the Secret Service has also begun enhancing security and refreshing technology at the White House Complex."

Additionally, the DHS Office of Policy, in conjunction with the DHS Management Directorate, examined whether the Secret Service protective mission would benefit from shedding its investigative mission. The report found not only that the investigative mission should not be shed but also that it complements the protective mission:

"The review also found that the Secret Service's partnerships with the law enforcement community, academia, and the private sector are woven into the fabric of the agency. The USSS has strong, reciprocal relationships with its State and local law enforcement partners. The degree of trust and rapport that the USSS has built across the law enforcement community through task force participation and leadership, technical support, investigative partnerships, and training opportunities are

critical to the support the Secret Service receives in turn from State and local law enforcement in carrying out its protective mission.”¹

This combined strength of our integrated missions also makes the Secret Service the world’s foremost leader in protection and securing our Nation’s financial infrastructure.

WORK/LIFE BALANCE

As noted, the past 2 years have brought an unprecedented workload for our employees. In an effort to attain a better understanding of those work/life balance factors upon which we can improve, we sought the feedback of the National Academy of Public Administration (NAPA), which completed an assessment of our business transformation efforts in October 2016. Their findings helped us identify ways to build upon our completed actions. The critical analysis that the Academy Panel conducted discovered that:

“ . . . agency efforts are significant and wide ranging in terms of both scale and scope. The Secret Service has accomplished a substantial number of organizational, policy and process changes to transform the way the agency does business, to professionalize administrative, technical and management functions and to remedy numerous staffing and employee issues. Agency leadership has achieved these changes in a relatively short time, demonstrating its commitment to change.”²

NAPA was able to study the revised structure of the Secret Service, instituted by the former director. more specifically, the agency appointed a senior-executive civilian to the position of chief operating officer. The agency also aligned several professional, experienced chief executive officers to report to the chief operating officer. Prior to September 2014, the Secret Service had nine directorates, with all but the Office of the Chief Counsel led by a Special Agent. The agency now has 12 directorates, of which six are headed by non-Special Agent personnel, including a chief human resources officer, a chief counsel, a chief technology officer, a chief financial officer, a chief strategy officer, and a chief information officer. Additionally, the agency now has a chief personnel research psychologist, a component acquisition executive, a director of communications, and an equal employment opportunity manager—all at the senior-executive service level. This new structure, which increased civilian professional executive appointments, enables the agency to better focus attention on both the operational mission and business needs.

All of these reports and findings demonstrate our focus on improving the Secret Service in the spirit of the PMP’s findings, not just in short-term actions, but as part of a sustained, long-term effort. Our work to address the PMP recommendations has also allowed us to appropriately address similar Congressional oversight concerns, which include changes in Secret Service leadership and structure, budgeting for our mission needs, and hiring and retaining personnel.

WHITE HOUSE FENCE

Among recommendations of the PMP was the replacement of the existing perimeter White House fence. With respect to this recommendation, the Secret Service and National Park Service have secured all approvals needed from the Commission on Fine Arts and the National Capital Planning Commission to construct the proposed new White House fence. I am further pleased to note that on May 5, 2017, the President signed into law H.R. 244, Consolidated Appropriations Act, 2017, which included the \$50 million of funding needed to support construction of the new fence. The contract solicitation package is nearly complete and ready for advertisement. The Secret Service and National Park Service estimate that it will take 6 months to advertise and award. After contract award, site mobilization and offsite fence fabrication will take approximately 6 months.

CONCLUSION

In closing, I would like to thank former Director Joseph Clancy for the commitment he exhibited in his time as director and his nearly 3 decades of dedication to the Secret Service. His focus on the agency’s workforce and critical mission has resulted in the progress mentioned to date.

¹Department of Homeland Security, Office of Policy, *Review of the United States Secret Service Protective and Investigative Missions* (January, 2017).

²National Academy of Public Administration, United States Secret Service, *Review of Organizational Change Efforts* (October 2016).

I would also like to take this opportunity to thank recently retired Chief Kevin Simpson for his leadership of the Uniformed Division and for his almost 30 years of service.

As we move forward, I will build upon the accomplishments noted previously to ensure that our workforce is afforded all of the leadership and resources necessary to accomplish the mission at the highest level. Thanks to the hard work, dedication, and many sacrifices of our employees around the world, we have had noteworthy successes when the demands of the mission were greatest. We will continue to uphold our core values of justice, duty, courage, honesty, and loyalty for ourselves and the American people.

Chairman Katko, Ranking Member Watson-Coleman, and Members of the committee, this concludes my testimony. I welcome any questions you have at this time.

Mr. KATKO. Thank you, Director Alles, for your testimony and statement. We appreciate very much you being here today. I mean, I think I speak for Mrs. Watson Coleman, I know I do, when I say that we view this committee as something of a corroborative nature with you and cooperative nature instead of an adversarial nature. So going forward, I hope that we can continue to have these types of give-and-take so that we can really help the agency grow and do the things it needs to do to increase morale, which I think is a huge and important problem with the agency.

Our second witness is Inspector General Roth, who currently serves as inspector general of the Department of Homeland Security. Prior to his appointment as inspector general, Mr. Roth served as the director of the Office of Criminal Investigations at the Food and Drug Administration and was chief of staff to the deputy attorney general. Way back when our paths crossed, we were both at Department of Justice in the Narcotics Section as baby prosecutors, and I have known Mr. Roth for quite a while.

I must say, Mr. Roth, you serve a critical role within the Department of Homeland Security's function in ensuring that the proper performance and efficiencies are identified and the inefficiencies in the agency so we can correct them. So I commend what you do on a regular basis. We have had a long history with you testifying before our committee, and we have always been impressed with your thoroughness and your willingness to make sure you get all the issues out so we can make it a better agency both at the Homeland Security level and as the sublevels, like TSA and Secret Service and the others.

So we recognize you for your testimony.

STATEMENT OF JOHN ROTH, INSPECTOR GENERAL, OFFICE OF THE INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. ROTH. Thank you, Chairman Katko, Ranking Member Watson Coleman, and Members of the subcommittee. Thanks for inviting me here today to testify about our work regarding the U.S. Secret Service and give you some insights into the challenges that they face.

Simply stated, we believe that the Secret Service needs to continue to focus on management fundamentals, particularly how it relates to how it hires and manages people and how it manages and plans for its resources, including technology and information technology.

Although we have seen encouraging progress, many of the implemented changes will require long-term leadership commitment and

additional funding. We are encouraged by the fact that for the first time the Secret Service developed a mission-based budget for fiscal year 2018, which should start to address many of the causes of equipment and personnel shortfalls.

However, we should not underestimate the challenges the Secret Service faces ahead and the time it will take to fix them. We estimate, for example, that it will require the Secret Service to have about 8,200 personnel by 2022, about 1,700 more than they currently have, in order to have sufficient personnel to conduct its mission, including the very critical element of training.

We think that the President's request for fiscal 2018 for 450 more personnel is a step in the right direction, but will be insufficient to meet current needs. Inadequate work force strength results in little or no training, mistakes due to work force fatigue, decreased quality of work life, poor morale, and increased attrition. Until the Secret Service can hire and retain a work force at or exceeding its work force staffing models, this will continue to be a problem.

During our review of the 2014 White House fence jumping incident, for example, we found that staffing shortages for uniformed officers led to excessive overtime, inadequate training, fatigue, low morale, and attrition. An internal Secret Service report described similar effects on special agents. Likewise, during another audit in 2015, we observed two uniformed officers sleeping at their posts. Fatigue from travel, overtime shifts, and long hours contributed to these incidents.

Compounding this problem is the Secret Service's inability to hire efficiently enough to overcome their attrition levels. In fiscal 2016, the Secret Service suffered more attrition than any time in its history, beating its 2015 level, which itself had also set a record. This kind of attrition is troubling in and of itself and is both a symptom and a cause of deeper Secret Service troubles.

Since 2011, the Secret Service has been able to hire more people than they lost only in 1 year, and thus far this year are on track to lose more people due to attrition than they have been able to hire.

Part of the problem is that the Secret Service is slow to hire. The last year we measured this, in 2015, it took 298 days to hire a special agent and 359 days to hire a uniformed officer.

The Secret Service will be continually challenged by a lack of dedicated human resources staff, which lengthens Secret Service hiring processes. At the end of 2015, for example, 32 percent of human resource positions at the Secret Service were vacant.

Until they are able to get their hiring right, they will continue to be understaffed, which will exacerbate the problems, which will lead to greater attrition.

Additionally, the Secret Service has had difficulty keeping pace with technological advancements. Instead of investing in cutting-edge technology and driving research and development, the Secret Service has relied on outdated systems and equipment with potentially dangerous consequences.

For example, in a January 2016 report, we found that many of the radios were well beyond the recommended shelf life or service life and were difficult to repair. Then in April 2016, we reported

that the confluence of technical problems with radios, security equipment, and notifications impeded the Secret Service's ability to apprehend an intruder who had jumped over the north fence and entered the White House.

While the Secret Service has begun to address these issues, for example, by appointing civilians with specialized expertise to critical leadership roles, it will require an extended leadership commitment and a significant investment in resources to put the Secret Service back on the right path.

We found similar issues with regard to the Secret Service's information technology. Special agents were able to access the personally identifiable information of House Oversight and Government Reform Committee Chairman Jason Chaffetz because the Secret Service was using old, insecure data systems with inadequate controls dating from the 1980's.

This occurred because of the lack of Secret Service priority in IT management. Specifically, we found limited authority for the chief information officer, a lack of focus on IT management, vacancies in key IT leadership and staff positions, and inadequate training.

The Secret Service has recently initiated steps to improve its IT management structure, which may give more priority to the leadership, policies, personnel, and training needed to ensure protections for sensitive systems and data.

The Secret Service's statutory responsibilities leave no room for error. Fully implementing changes and resolving underlying issues plaguing the Secret Service will require a sustained commitment and depend heavily on adequate funding and staffing. We will continue to monitor the Secret Service's progress as it takes corrective actions to address vulnerabilities.

Mr. Chairman, thank you for your invitation to testify today. I am happy to answer any questions you or other Members of the committee may have.

[The prepared statement of Mr. Roth follows:]

PREPARED STATEMENT OF JOHN ROTH

JUNE 8, 2017

Chairman Katko, Ranking Member Watson Coleman, and Members of the subcommittee:

Thank you for inviting me here today to discuss our work relating to the United States Secret Service (Secret Service). We have conducted a number of investigations, audits, and inspections of Secret Service programs and operations and have made several recommendations. My testimony today will describe some of that work and discuss its implications.

Our most recent oversight of the Secret Service has focused on three key operational areas: The Secret Service's actions to address recommendations of the Protective Mission Panel, difficulty in hiring law enforcement personnel, and challenges protecting sensitive case management systems and data.¹ In general, the Secret Service has taken action to address the concerns and challenges identified by our office. Although we have seen encouraging progress, many of the implemented changes require long-term commitment and planning. We will continue to monitor the Secret Service's progress in implementing our recommendations over time.

¹*The Secret Service Has Taken Action to Address the Recommendations of the Protective Mission Panel*, OIG-17-10 (November 2016); *DHS Is Slow to Hire Law Enforcement Personnel*, OIG-17-05 (October 2016); *USSS Faces Challenges Protecting Sensitive Case Management Systems and Data*, OIG-17-01 (October 2016).

THE SECRET SERVICE HAS TAKEN ACTION TO ADDRESS RECOMMENDATIONS OF THE
PROTECTIVE MISSION PANEL

Following the September 19, 2014 White House fence-jumping incident, the Secretary of Homeland Security established the Protective Mission Panel (Panel) to undertake a broad independent review of the Secret Service's protection of the White House Complex (WHC). The Panel made 19 recommendations in its December 2014 Unclassified report. To address the Panel's findings and recommendations, we verified and evaluated actions the Secret Service has planned and taken since December 2014.

One of the Panel's major criticisms was that the Secret Service had never developed a budget process that articulated its mission or a corresponding staffing and budget plan to meet its needs. Historically, as its operational tempo has increased, the Secret Service has often solved short-term problems at the expense of long-term ones, such as deferring technology upgrades to pay for operational travel, or paying large amounts of overtime rather than fixing the hiring process. To cure this, the Secret Service developed a "mission-based budget" for fiscal year 2018,² which should start addressing many of the causes of equipment and personnel shortfalls.

We estimate that it will require the Secret Service to have about 8,225 personnel, known as "full-time equivalents" (FTE) by 2022, up from the fiscal year level of about 6,500, in order to have sufficient personnel to conduct its mission, including the very critical element of training. We think that the President's request for fiscal year for 450 more personnel is a step in the right direction, but will be insufficient to meet current needs. Inadequate workforce strength results in little or no training, mistakes due to workforce fatigue, decreased quality of work life, poor morale, and increased attrition. Until the Secret Service can hire and retain a workforce at or exceeding its workforce staffing models, this will continue to be a problem. Compounding this problem is Secret Service's inability to hire efficiently, as I discuss below.

The Panel also found—and we have confirmed through subsequent reviews—that the Secret Service has not kept pace with technological advancements. Instead of investing in cutting-edge technology and driving research and development, the Secret Service has relied on outdated systems and equipment, with potentially dangerous consequences. For example, in our January 2016 report on the Secret Service's radio systems, we found that many radios were well beyond their recommended service life and that many manufacturers had stopped making several of the major system components, making repairs difficult.³ Then, in April 2016, we reported that a confluence of technical problems with radios, security equipment, and notifications impeded the Secret Service's ability to apprehend an intruder who jumped over the North Fence and entered the White House in September 2014.⁴ To update and enhance its technology, the Secret Service has committed funding to technology refreshes, is pursuing new technology, and has appointed civilians with specialized expertise to critical leadership roles, including Chief Information Officer and Head of the Office of Technical Development and Mission Support.

The Panel also asserted the Secret Service is insular and does not regularly learn from its external partners. To address the Panel's recommendations to engage with Federal and international partners, the Secret Service hosted more joint training exercises; sought to obtain periodic, outside assessments of the threats to and strategies for protecting the WHC; and engaged foreign protective services through events. However, the Secret Service has not yet evaluated these partnerships or established regular exchanges of knowledge, and staffing constraints limit joint training, as well as partner outreach. Leading the Federal protective force community, obtaining periodic outside assessments, and coordinating with international partners will require sustained support from Secret Service leadership and the flexibility to carry out these actions in the face of protective mission demands.

In short, the Secret Service has clearly taken the Panel's recommendations seriously, which it has demonstrated by making a number of significant changes.⁵ Specifically, the Secret Service improved communication within the workforce, better articulated its budget needs, increased hiring, and committed to more training of its workforce. Additionally, using funding appropriated for Panel initiatives, the Secret Service began enhancing security and refreshing technology at the WHC. It has

² U.S. Secret Service Fiscal Year 2018 Congressional Justification.

³ U.S. Secret Service Needs to Upgrade its Radio Systems, OIG-16-20 (January 2016).

⁴ 2014 White House Fence Jumping Incident (Redacted), OIG-16-64 (April 2016).

⁵ The Secret Service Has Taken Action to Address the Recommendations of the Protective Mission Panel, OIG-17-10 (November 2016).

also begun working with stakeholders on plans to construct a new outer fence surrounding the WHC.

Nevertheless, there continues to be room for improvement, and we made five recommendations in our Unclassified November 2016 report to further the Secret Service's progress in addressing the Panel's recommendations. That report makes additional recommendations that we believe will further strengthen the Secret Service. However, fully resolving underlying issues and implementing necessary changes will require a multi-year commitment and depend heavily on adequate funding and staffing. In addition, we recently issued a Classified report reviewing the Secret Service's actions to address the Panel's Classified recommendations.⁶

DHS IS SLOW TO HIRE LAW ENFORCEMENT PERSONNEL

In October 2016, we issued a report on the results of our review of the law enforcement hiring processes at three components: U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and the Secret Service.⁷ We identified several issues with all three components' law enforcement hiring processes. Today, I will focus on those we identified at the Secret Service.

From fiscal years 2011 through 2015, the Secret Service came close to meeting or met authorized staffing levels for Special Agents and Uniformed Division (UD) Officers.

PERCENTAGE OF SECRET SERVICE AUTHORIZED LAW ENFORCEMENT POSITIONS FILLED, FISCAL YEARS 2011–15					
	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Special Agents	100%	97%	94%	100%	87%
UD Officers	100%	97%	93%	94%	87%

However, the Secret Service continues to be challenged by significant hiring delays. The table below shows the average number of days it took to hire Special Agents and UD Officers through job announcements issued in that fiscal year.

SECRET SERVICE AVERAGE DAYS-TO-HIRE, FISCAL YEARS 2011–15 *					
	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Special Agents	286	—	482	441	298
UD Officers	—	—	294	272	359

* Dashes indicate the Secret Service did not hire personnel that fiscal year.

The Secret Service will be continued to be challenged by a lack of dedicated human resources staff, which lengthens the Secret Service's hiring process. At the end of fiscal year 2015, for example, 32 percent of human resources positions at the Secret Service were vacant. Hiring freezes and attrition across the Department have also affected staffing levels of human resources personnel, resulting in a delay of applicant processing and hiring.

Rather than employing one comprehensive automated applicant tracking system, the Secret Service uses two systems, which do not communicate with each other. The systems also require manual manipulation of data, making it difficult and cumbersome to process large numbers of applicants. In addition, applicants do not submit their Standard Form 86, *Questionnaire for National Security Positions* (SF-86), through the web-based, automated e-QIP system; instead they must email the document to Secret Service staff who print it out and review it manually. The electronic SF-86 only contains pages the applicant has completed, whereas the paper version is the entire 140-page document, including pages not completed. One Secret Service

⁶The Secret Service Has Taken Action to Address the Classified Recommendations of the Protective Mission Panel (Unclassified Summary), OIG-17-47 (March 2017).

⁷DHS Is Slow to Hire Law Enforcement Personnel, OIG-17-05 (October 2016).

official described the process as a “paper mill,” with boxes of applicant files filling an entire room.

The Secret Service has made changes to improve its law enforcement hiring processes and shorten the amount of time it takes to hire personnel, but most of the changes are relatively new and their long-term success cannot yet be measured. The Secret Service has established hiring events that allow applicants to complete several steps in the hiring process in one location. In fiscal year 2014, it took an average of 192 days to hire UD Officers who attended these events versus an average of 290 days for all other UD Officer applicants. In November 2015, the Secret Service created the Applicant Coordinating Center to further monitor applicant hiring, specifically during the polygraph examination, medical examination, and background phases of the process.

Despite improvements, the Secret Service continues to fall short of the Office of Personnel Management’s (OPM) 80-day hiring goal. And while OPM’s 80-day goal may be unrealistic in the law enforcement context because it does not account for additional steps in the law enforcement hiring process, the Secret Service also has failed to meet its own time-to-hire goals. In 2014, the Secret Service implemented a 118-day hiring target for its law enforcement applicants, but on average failed to meet this time frame in fiscal year and fiscal year for both Special Agents and UD Officers. Although the Secret Service has improved its time-to-hire averages, it likely will never meet OPM’s 80-day time frame regardless of process improvements, and it will only be able to meet attainable internal targets.

Compounding these hiring challenges is that increased attrition requires increased hiring. For example, the Secret Service was able to hire 487 people between October 1, 2015 and end of June, 2016. This is an impressive accomplishment, but largely eviscerated by the fact that during the same period 439 individuals left the Service, resulting in a net gain of only 48 people.

We made five recommendations to the Department and components to improve the efficiency of law enforcement hiring practices, including that the director of the Secret Service: (1) Prioritize and dedicate full-time human resources, investigative, or polygraph personnel as needed; (2) establish an automated method to track applicants throughout the entire hiring process; and (3) adopt the e-QIP system for applicants to submit information for their SF-86 electronically. The Department and all three components concurred with our recommendations and are taking steps to address them. Based on the components’ most recent responses to the final report, we consider all five recommendations resolved and open.

The Impact of Understaffing on the Secret Service

The inability to hire law enforcement personnel in a timely manner may lead to shortfalls in staffing, which can affect workforce productivity, as well as potentially disrupt mission-critical operations.

During our review of the 2014 White House fence-jumping incident, we found that staffing shortages for UD Officers led to excessive overtime, inadequate training, fatigue, low morale, and attrition.⁸ An internal Secret Service report described similar effects on Special Agents. Similarly, during the course of an audit on Secret Service radio communications in 2015, we observed two UD officers sleeping at their posts. Fatigue from travel, overtime shifts, and long hours contributed to these incidents.⁹

Due to understaffing, the Secret Service relies on its UD Officers to work overtime and cancel days off and leave. In fiscal year 2015, for example, UD Officers in the White House Branch worked an average of 22.9 overtime hours per pay period and worked 71.7 percent of days off. Working excessive overtime and having days off routinely canceled has a long-term negative impact on UD Officers’ alertness and preparedness. Having to work exceedingly strenuous hours leads to fatigue, stress, and low morale, which is unsustainable and results in attrition. Attrition in the Uniformed Division has been high; for example, in fiscal year 2015, 152 UD Officers were hired but 169 left.

Additionally, due to the shortage in staffing many Secret Service personnel lack adequate training. Secret Service is not fully staffed to cover all shifts while others are in training. For Secret Service members a constant, rigorous, and innovative training regimen is a must because there is no room for error in their protective mission. A lack of training results in stale and degraded operational skills and could lead to incorrect or inadequate response during emergencies.

The management issues related to Secret Service staffing are deeply embedded. These underlying problems are not subject to relatively quick fixes such as those

⁸ 2014 White House Fence Jumping Incident, OIG-16-64 (April 2016).

⁹ Management Alert—Secret Service Staffing and Scheduling Contributed to Officer Fatigue (October 2015).

applied to technical or structural problems. Overcoming these challenges will require diligence and the full commitment of Secret Service leadership. It is imperative, however, that the Secret Service tackles these more fundamental and persistent management issues or it risks being unable to respond adequately or accomplish its protective mission.

CHALLENGES PROTECTING SENSITIVE CASE MANAGEMENT SYSTEMS AND DATA

Background

In 2015, our office conducted an investigation regarding allegations of improper access and distribution of House Oversight & Government Reform Chairman Chaffetz' personally identifiable information (PII) contained on the Secret Service mainframe, known as the Master Central Index (MCI). On September 25, 2015, we reported that 45 Secret Service employees had accessed Chairman Chaffetz' sensitive PII on approximately 60 occasions. The information, including the Chairman's social security number and date of birth, was from when he applied for employment with the Secret Service in September 2003. Of the 45 employees, only 4 had a legitimate business need to access this information. The others who accessed the Chairman's record did so in violation of the *Privacy Act of 1974*, as well as DHS policy and *USSS IT Rules of General Behavior*.¹⁰

During our investigation, we planned a follow-up audit to determine whether adequate controls and data protections were in place on the MCI.

In 1984, the Secret Service developed and implemented the MCI mainframe application as an essential system for use by Secret Service personnel in carrying out their law enforcement mission. An independent security review performed in 2007 by the National Security Agency (NSA) identified IT security vulnerabilities on all applications hosted on the Secret Service mainframe and advised corrective action. According to Secret Service personnel, a key deficiency of MCI was that once a user was granted access to the MCI, that user had access to all data within MCI—regardless of whether it was necessary for the user's role.

In response to NSA's review, Secret Service initiated the Mainframe Application Refactoring project in 2011. Four years later, it completed final disassembly and removal of the mainframe in August and September 2015 and migrated MCI data to the following five information systems:

- Field Investigative Reporting System (FIRS)
- Clearances, Logistics, Employees, Applicants, and Recruitment (CLEAR)
- Protective Threat Management System (PTMS)
- Electronic Name Check System (eCheck)
- Electronic Case Management System (eCase)

MCI disassembly and data migration occurred just a few weeks prior to the start of our audit in September 2015. As a result, we focused our audit on these five systems.¹¹

Ineffective Systems and Data Management

Our audit disclosed that Secret Service did not have adequate protections in place on the systems to which MCI information was migrated. Specifically, we found:

- *Inadequate System Security Plans*—These documents, which provide an overview of system security requirements, were inaccurate, incomplete, or in one case, nonexistent. As a result, Secret Service had no reasonable assurance that mission-critical case management and investigative information was properly maintained and protected. Those relying on Secret Service to protect their identities (e.g., informants) had no assurance against unauthorized access or disclosure of their information.
- *Systems with Expired Authorities to Operate (ATO)*—Secret Service was operating IT systems without valid ATOs documenting senior-level approval to operate those systems. Lacking ATOs, Secret Service had no reasonable assurance that effective controls existed to protect the information stored and processed on these systems.
- *Inadequate Access Controls*—Secret Service lacked access controls on the information systems we reviewed. Further, policies did not address the principle of least privilege, restricting system users to only those privileges needed for the performance of authorized tasks. According to Secret Service personnel, 5,414 employees had unfettered access to the MCI application data before it was re-

¹⁰ *Investigation Into the Improper Access and Distribution of Information Contained Within a Secret Service Data System* (September 2015).

¹¹ *USSS Faces Challenges Protecting Sensitive Case Management Systems and Data*, OIG-17-01 (October 2016).

tired. These deficiencies increased the likelihood that any user could gain unauthorized and covert access to sensitive information, compromising its confidentiality, integrity, and availability.

- *Inadequate Audit Controls*—These controls were not fully implemented, hindering the Service’s ability to detect unusual user activities and/or provide appropriate response to potential or actual security risks, anomalies, or attacks. Such deficiencies significantly hindered Secret Service’s ability to reconcile system events with the responsible individuals, rendering them unable to conduct appropriate incident response in the event of cyber security incidents or threats.
- *Noncompliance with Logical Access Requirements*—Secret Service had not fully implemented Personal Identity Verification (PIV) cards for logical access to Secret Service IT systems as required. Approximately 3 percent of privileged users and 99 percent of non-privileged users were not using PIV cards to access information systems, hindering USSS’ ability to limit system and data access to only authorized users with a legitimate need.
- *Lack of Privacy Protections*—Despite National Institute of Standards and Technology and DHS privacy protection requirements, Secret Service had not designated a full-time component privacy officer reporting directly to the Secret Service Director. Secret Service privacy documentation was incomplete, out-of-date, or missing documented assessments on how privacy controls were implemented. Secret Service had not published component-specific policies and procedures to comply with DHS policy. Also, responsible system owners and security personnel (i.e., Information System Security Officers) were unaware of their responsibilities for documenting and implementing privacy protections on Secret Service systems. Ineffective privacy leadership and practices increased the likelihood of serious breaches to PII, resulting in identify theft or worse, personal harm to employees, their families, informants working for Secret Service, or subjects of Secret Service investigations.
- *Records Retention*—Secret Service retained job applicant data on information systems longer than was relevant and necessary, in violation of the *Privacy Act of 1974*. Many “rejected” and “no longer interested” applications were more than 5 years old, including records up to 14 years old. In January 2016, Secret Service officials advised us that they were working toward implementing a new 2-year/5-year data retention protocol.

IT Management Has Not Been a Priority

The systems and data management problems we identified can be attributed to a lack of Secret Service priority on IT management. Specifically, our audit disclosed:

- *Limited CIO Authority and Responsibility*—Historically, the Secret Service CIO has not been effectively positioned to provide needed IT oversight. In 1988, Secret Service established the Information Resources Management Division (IRMD) to manage and support the investigative and protective operations and associated administrative functions of the agency from an IT perspective. In 2006, senior management decided to remove the incumbent CIO from heading IRMD and put a Special Agent in his place. The Special Agent, with limited IT management and leadership experience, became responsible for a technology division with a diverse portfolio of IT services, programs, acquisitions, and operational elements. In a culture in which Special Agents are reluctant to relinquish control, the split contributed significantly to a lack of IT leadership and inability to build a strong technology program within the Secret Service.
- *Lack of Focus on IT Policy Management*—Inadequate attention was given to keeping critical Secret Service IT policies updated. Key guidance had not been updated since 1992 when Secret Service was part of the Department of the Treasury. Outdated IT policies leave the organization hindered in its ability to implement and enforce IT system security requirements.
- *Key IT Leadership Vacancies*—Key positions responsible for the management of IT resources and assets were not filled. Some vacancies lasted for almost 1 year; other vacancies still existed at the time of our audit. For example, for almost a year, from December 2014 to November 2015, Secret Service lacked a full-time CIO. An acting Chief Information Security Officer (CISO) departed in September 2015; as of January 2016 the position was still vacant although the agency hired a Deputy CISO that same month. Further, Secret Service did not have a full-time Information System Security Manager, critical to ensuring that the organization’s information security program is implemented and maintained.
- *Vacant IT Staff Positions*—As of December 2015, OCIO reported having 139 employees and 58 vacancies, which is a staff vacancy rate of 29 percent. Secret Service relied heavily on contractors to fill IT security positions rather than on

Federal employees, as background checks for contractors did not require polygraphs. However, contractor Information System Security Officers felt they were not getting sufficient guidance to perform their responsibilities.

- *Inadequate IT Training*—Secret Service personnel did not receive adequate IT training. For example, not all employees and contractors completed mandatory IT security awareness, specialized role-based training, or privacy training. As a result, many employees lacked knowledge of their specific roles and responsibilities. For fiscal year 2015, we found that only 85 percent of Secret Service’s employee population had completed the required IT security awareness training.

Recent Steps to Improve IT Management

Secret Service recently initiated steps to improve its IT management structure, which may give more priority to the leadership, policies, personnel, and training needed to ensure protections for sensitive systems and data. Specifically, in December 2015, the Secret Service Director announced component-wide that the new CIO was put back in charge of IRMD, giving him control of all IT assets. Additionally, five new divisions were established to delineate OCIO functions.

These changes are initial steps to address the various IT deficiencies we identified. However, it will take time for these improvements to be fully implemented and demonstrate effectiveness. Until then, the potential for incidents similar to the breach of Chairman Chaffetz’ information in March 2015 remain. Any loss, theft, corruption, destruction, or unavailability of Law Enforcement Sensitive data or PII could have grave adverse effects on Secret Service’s ability to protect its employees, stakeholders, or the general public.

We should not underestimate the challenges ahead. While the Secret Service has made substantial gains in securing its networks, according to the self-assessment scoring required by the Federal Information Security Management Act, it still needs to work on securing that each of its IT systems is properly authorized and protected from external threat.

PREVIOUS ALLEGATIONS OF EMPLOYEE MISCONDUCT

Over the past several years, as part of our independent oversight effort, we have investigated various incidents involving allegations of misconduct by Secret Service employees.¹²

For example:

- We investigated allegations that, in April 2012, during preparations for President Obama’ visit to Cartagena, Colombia, Secret Service agents solicited prostitutes and engaged in other misconduct. As part of our investigation, we conducted 283 interviews of 251 Secret Service personnel. Based on our interviews and review of records, we identified 13 Secret Service employees who had personal encounters with female Colombian nationals consistent with the misconduct reported. We determined that one of the female Colombian nationals involved in the incident was known to the intelligence community. However, we found no evidence that the actions of Secret Service personnel had compromised any sensitive information.
- We reviewed the actions of two Secret Service agents who on the evening of March 4, 2015, had entered an area of the White House Complex that had been secured as a result of a suspicious package. We concluded that it was more likely than not that both agents’ judgment was impaired by alcohol. We found that, notwithstanding their denials, both agents were observed by uniformed officers as “not right,” and “not making sense,” had just spent the previous 5 hours in a restaurant/bar in which one ran up a significant bar tab, and that they drove into a crime scene inches from what the rest of the Secret Service was treating as a potential explosive device and which, under different circumstances, could have endangered their own lives and those of the UD officers responding. While each agent had a duty to report the incident to his superior, neither did do so. We found that their failure to do so reflected either poor judgment or an affirmative desire to hide their activities.

The Secret Service has certainly taken steps to address these and similar challenges, but not always successfully. These persistent challenges may not be easy to resolve through expeditious action, such as suspending employees and issuing new

¹² See, e.g. *Investigation Into the Improper Access and Distribution of Information Contained Within a Secret Service Data System* (September 2015); *Investigation Into the Incident at the White House Complex on March 4, 2015* (May 2015); *Allegations of Misuse of United States Secret Service Resources* (October 2014).

guidance. They may require more fundamental change that addresses the root cause of the misconduct.

As a result of the Cartagena incident, in December 2013, we issued a report on our review of the Secret Service's efforts to identify, mitigate, and address instances of misconduct and inappropriate behavior. In our report, we described a situation in which many employees were hesitant to report off-duty misconduct either because of fear that they would be retaliated against or because they felt management would do nothing about it.¹³ For example, in response to one survey question, 56 percent of electronic survey respondents indicated that they could report misconduct without fear of retaliation, meaning that almost half of the workforce may have feared retaliation for reporting misconduct.

As a result of our findings, the Secret Service created a table of penalties for determining appropriate corrective, disciplinary, or adverse actions for common offenses and established a centralized process within headquarters for determining and implementing discipline for employee misconduct.

ON-GOING OIG OVERSIGHT OF THE SECRET SERVICE

Our office will continue to help the Secret Service meet its critical mission through independent and objective audits, inspections, and investigations. We plan to publish several DHS-wide audits in fiscal year that will include reviews of the Secret Service, including:

- *DHS's Use of Polygraphs in the Hiring Process Audit.*—We are conducting a Department-wide audit of the use of polygraphs and USSS is part of that audit. The purpose of this audit is to determine whether DHS' polygraph examinations are an effective tool for screening new employees during the hiring process.
- *DHS Conduct & Discipline.*—We are currently conducting a Department-wide audit of DHS's disciplinary processes, which focuses on the depth and breadth of employees' perceptions and attitudes about misconduct and the application of discipline, DHS's established rules of conduct, and the application of discipline across the Department.

CONCLUSION

The Secret Service's statutory responsibility to protect the President, other dignitaries, and events, as well as investigate financial and cyber crimes to help preserve the integrity of the Nation's economy, leaves little, if any, room for error. As our audits and inspections have demonstrated, to achieve its mission, the Secret Service needs to continue working to improve its operations and programs. Although it has planned and taken actions to address the Protective Mission Panel's recommendations, fully implementing changes and resolving underlying issues will require the Secret Service's sustained commitment and depend heavily on adequate funding and staffing. We will continue to monitor the Secret Service's progress as it takes corrective actions to address vulnerabilities.

Mr. Chairman, thank you for inviting me to testify here today. I look forward to discussing our work with you and the Members of the subcommittee.

Mr. KATKO. Thank you, Mr. Roth for your testimony. We definitely appreciate you taking time out of your schedule to be here today. We know that your time, along with Director Alles' time, is very valuable, but I think this is also important, what we are doing here today.

The Chair now recognizes myself for 5 minutes of questions. I will note, since there is only a relatively small size of panel, that we will have some flexibility with respect to the amount of time we use.

So, first of all, I want to do something a little different. I normally don't do this. But I think it is pretty apparent what the primary issue is with respect to Secret Service, and that is the morale issue, which is tied to manpower and manpower-type issues. They are just stretched too thin.

¹³*Adequacy of USSS Efforts to Identify, Mitigate, and Address Instances of Misconduct and Inappropriate Behavior*, OIG 14-20 (December 2013).

So before I came here, I was a Federal prosecutor and doing organized crime cases for 20 years, and I routinely came across Secret Service agents in the field. I was always struck by the fact that they would be doing criminal cases, doing good criminal cases, and all of a sudden they are yanked out to do a protective detail. So they had these bifurcated responsibilities that were quite difficult.

I also was mindful of the fact that their time constraints were unlike any other agency I have ever encountered.

So I went back and kind of canvassed my old pals, if you will, and got input from them. So I just want to read to you some of the input that I got from them in the field, because I think what we really need to do is think of it and look at this through the prism of the guys and gals on the front line and see what they are experiencing, what their thought process is now, and maybe we can generate some discussion from that. I am just going to go no particular order of importance.

No. 1, the new agents we have hired in the past 3 years, or in the recent past, about 40 percent leave within 3 years. So there are probably only 1,200 agents in the field offices, and we are getting crushed. This does not include agents on the detail to the District of Columbia. We have about a total of 2,000 to 2,200 agents. Our numbers are way down. The 3,200 administration staff, it includes support staff. We are top heavy with 14 and 15 bosses. I am not sure which branch particularly they are referring to.

We need to be under a different retirement system. We are under the FERS and we should be under the Coast Guard retirement system. This would differentiate us from other agencies, boost morale, and maybe we could hire more people. You can't do the job for more than 20 years at the pace we are going.

Another one: They have to lift the max out of the pay cap. I made 104 hours of overtime in the month of April and will only see 16 hours of that money for the month. The rest I won't see. Anything over 162 hours now through the rest of the year, I will never see a penny of that money.

The hiring push over the last 3 years has netted only 5 agents total. That is pretty stunning if that is true. Between people retiring, leaving the job in droves and new hires, we have netted only five agents.

Morale is terrible, and we are all constantly working long hours, traveling all the time away from home and not getting compensated for it. There is no work-life balance, and the other 1,811 Federal agencies have much more balance than we do. There is a major disconnect between upper management in the District of Columbia and what is really going on in the field.

From 1997—this is particularly troubling to me—from 1997 to 2000, the Secret Service hired quite a bit of agents. There are about 450 to 550 agents that can retire within the next 1 to 3 years. If you don't give them some incentive to stay, they are going to retire. That is a huge number of agents and experience leaving the Service at once and will cause a very large void.

By no means are these exclusive to some of the comments that I heard, but they do kind of highlight some of the things I did hear here. This is not here to—I didn't do that to set up a series of com-

plaints or series of questions, but more to generate discussion about how to address the problem. I think we have all kind-of identified it to some extent, but the brass tacks gets down to what do you need.

So with that, I will just ask you, Director.

Mr. ALLES. So, thank you, sir. Actually, I was just talking with Inspector General Roth before. You know, I see my key—the No. 1 thing I have to work on is the area of leadership. So all these things stem out of that particular area. Morale, resources, hiring, all those, I think, come from that common point. So that is not to say that we don't—so everything you have said, I don't have any—I am not sure exactly on the numbers he said, but all of rest of it sounds pretty consistent.

I mean, one of the impressive things about the agency is they get the job done no matter what. As I tell them, that is good and that is bad. It is good that they are doing the mission. The bad part is, is where is the work-life balance for the agency, for our Uniformed Division officers and our special agents, and it is generally not there. Then you throw on top of that the pay cap issue. As I say, how fair is it to ask people to work for free, which is basically what happens. When they hit that biweekly cap, they keep on working, and they get the mission done no matter what. So—

Mr. KATKO. Right. Just to interrupt you there for a moment. It is stunning to me that this is early June, and this person that gave me that information has already used up all and any overtime. So for the rest of the year when he is working hundreds of hours of overtime, sometimes on a monthly—certainly on a monthly basis, there will be zero compensation for that. I don't know how that doesn't affect you or how it doesn't affect the performance of some people.

But you are right, you are absolutely right, it is remarkable how good a job they do under these circumstances. So please continue.

Mr. ALLES. So I think, as you are saying, I am sure the entire committee is implying too, we owe it to them not only to pay them but to give them better working conditions than they have now.

Part of that—a lot of that revolves around leadership, which is going to affect morale. I have got to find a way to stem attrition. I can't do that if they don't see any hope for the future. So as long as they see them working, as I like to say over at the White House, 6 days a weeks, 12 hours a day, and then having their days off canceled, we are going to make little progress.

In the field, estimating this year, we are going to have about 500 to 700 agents that are, again, going to exceed this pay cap. So again, I am going to be making people work for free. They have to do the mission. They do the mission. But I really view that as unfair in an area we need to aggressively work on correcting.

So I think from our standpoint is it is a leadership aspect in terms of affecting their morale, it is trying to hire more agents and stem the attrition.

The hiring actually is going well. We actually, hopefully—Mr. Roth was laying out some numbers there—we will reach 6,800 this year. We are making better progress than we have in the past. All of the classes are being filled.

But again, as highlighted by the committee and also by the inspector general, there are issues on attrition. We have to address those. Part of that is engagement with the work force. That is my responsibility to get out there and make sure they understand we recognize their problems and we are going to correct those issues, that we are not just standing idly by while it happens.

But in the mean time, it is not something that is necessarily a quick fix either. So it is a continued pressure against that. We recognize resource deficiencies mentioned by the inspector general. We estimate, generally, we are probably \$200 to \$300 million a year for what we need to do to actually hire people, have the correct technology in place. He talked about IT issues. Certainly don't disagree with any of those things.

So some of those do revolve around resource issues, but getting good programs in place, having good leadership to lay down those programs and execute those programs are all critical to fundamentally resetting where the Secret Service is.

Mr. KATKO. Thank you, General. There is going to be—I keep calling you General, Director. We will be going back and forth. It will take a while to get used to your—not calling you by your old title. But we definitely have to get back with more of this, and I trust my colleagues will do that you in their questions.

But I want to hear from Mr. Roth as well on this. Quite frankly, what we do need, though, is basically a tick list of what we really need.

So with that, I will let you tell it.

Mr. ROTH. I mean, sure. I think it is in two things. One is money. Two is a focus on management fundamentals. So, for example, when we took a look at law enforcement hiring, and we did a report that was issued a couple of months ago, we looked at Secret Service and we looked at ICE and CBP.

When we asked for data, for example, they couldn't give us real-time data as to how many people were in the pipeline, where they were, because they didn't have any data systems that would allow them to track the kind of hiring they need. This is something that is fundamental and basic in any private corporation or private industry to be able to streamline the kinds of data systems that you have.

So, for example, Secret Service has two different data systems that don't talk to each other. So there has to be a manual input of data from one system to the other.

Likewise, they have the SF-86, the security clearance form that most agencies have filed electronically. Secret Service doesn't have that capability. So people fill that out. They email it in a pdf. That pdf then gets printed by the Secret Service and then reviewed manually. It is just not a very efficient system.

What we found also is that they had a shortfall, and it seems trivial but it is not trivial, of personnel specialists. These are the folks that have to sort-of write the position descriptions, get the best qualified list together, get the kinds of information out so that Secret Service can hire.

I would just say that the information that you have given, Congressman Katko, is consistent with the data that we have seen, that it is an uphill battle to hire more than they lose and they are

in a vicious cycle, because the more they lose, the more they have to work their current personnel; the more they work their current personnel, the more that they lose. So——

Mr. KATKO. Let me just interrupt you for a second. That is what worries me so much about this big ball just coming near retirement age, retirement at 2017 to 2020, that pipeline that is coming up in the next couple of years. You are talking about almost a quarter of the front-line agents that do the protection. That is frightening to me. So if you can address that as well.

Mr. ROTH. I think that is right. So if you are hiring 400 or 500 people a year, that is great. But if those get eviscerated by losing 400 or 500 people a year, then you need to sort of rethink how it is that you hire folks.

Again, I am encouraged by the fact that Secret Service now for the first time has a work force that is not simply special agents doing technical work. So they have a CIO, who is somebody who specializes in that and is not just simply a special agent who got promoted to that; somebody in personnel the same way. They have an individual for management who is on the same level as the deputy director.

So they are doing all the rights things. It is just a race to try to be able to get the efficiencies that they need, get the resources that they need to do the job.

Mr. KATKO. Thank you, Mr. Roth.

Of course, there is much more I could follow up on, but I think it is time for the Chair to recognize the gentlewoman from New Jersey, Mrs. Watson Coleman.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman.

It is clear that a really big issue that the Secret Service has, in addition to many others—challenges, I should say—is the lack of resources, human resources in particular. So I am struck by a couple of questions that I need to ask to get some clarification on and to see whether or not this is having a different impact on the Secret Service than you have experienced, the agency has experienced in the past.

For instance, I know that we have a responsibility to Trump Tower, to protect Trump Tower when the President is there. We have an additional and different responsibility here, I think, because the First Lady stays there and uses that as her primary residence. I believe that that is somewhat unprecedented to have the First Lady live someplace other than her husband, the President. But that places an additional strain on your already strained resources both financial and personnel. So, Mr. Alles, what are we doing to acknowledge that and prepare for that?

In that same vein, I also know—you might want to write these questions down—I also know that we now have a responsibility and a legitimate one to provide protective service to almost triple the number of people associated with the First Family than we have experienced since 1988 and that there are some unique opportunities there to provide protection as it relates to some of the older children, the adult children, going around the world and going around the country and advancing their business opportunities that are really still connected to this President, because he hasn't really divested himself of those.

I would like to know the kind of relationship we have, and are we being reimbursed in any way, shape, or form for that kind of traveling and protection that is taking place? Do you distinguish personal travel from professional travel?

Then last—it is only a three-part question, I know it sounds like it is going on forever—but the last part has to do with do we have any idea what kind of challenge the President's trips to Mar-a-Lago and other golf courses on a very, very routine basis will have on your resources as they exist now, as they are proposed in this upcoming budget, and should we be looking to provide you additional resources in order to meet what seems to be an increased challenge?

So if you would just start with those three areas. I do have some other questions.

Mr. ALLES. OK. Very well, ma'am.

I think I would start off by saying, clearly, that the Trump Tower has been designated as one of his residences. It is not unusual, I would say, and you would—we would understand this as parents, they wanted their son to finish the school year in New York, and the plan is to move down this summer, and that will alleviate some of the pressure up there in that area.

Mrs. WATSON COLEMAN. OK. Let me stop you.

Mr. ALLES. Sure.

Mrs. WATSON COLEMAN. Let me ask you this question, then. So you won't be providing this 24-hour security, 365 days a year at the Trump Tower? You will only be providing it when the family, the President's family are there, and they will be there when they are not at the White House or Mar-a-Lago?

Mr. ALLES. We will still, because the sons we be there, we will still be providing security. The levels of it we are going to look at it how we can modify those levels.

Mrs. WATSON COLEMAN. You say the sons or the——

Mr. ALLES. Yes, the sons that reside at the tower. That is where they work out of. So that will continue. But I just—anyways, but the First Lady and their youngest son will move down here this summer, which will alleviate some of the pressure on that.

But I will just mention also, I mean, when it comes to these—to the residences and the trips and those things, this is all in statute, ma'am. I am simply doing what I am required to do by law, and the agency is, and I have no flexibility there whatsoever. So I really don't have the option to, you know, not to resource it or make requests for that. I mean, we are doing that as the Presidential protection mission. That is what required in statute.

I would just amplify, in the post-9/11 era, in the era of the London Bridge and Manchester, the threat environment, of course, is not becoming more benign, it is a more serious threat environment, and we have to think about that as it affects his entire family, we need to protect as we have to. We have to cover.

Mrs. WATSON COLEMAN. So we will continue to provide this kind of protection at Trump Tower, because that is where the Trump business efforts are taking place. Is that what you just said?

Mr. ALLES. Again, it wouldn't really matter if it is a Trump business. The sons are there, and by statute it requires——

Mrs. WATSON COLEMAN. But it is a Trump business.

Mr. ALLES. I understand. I am just saying, ma'am, if there was no business, by statute, we would still protect the sons. That is what is required by law.

Mrs. WATSON COLEMAN. OK. Do you have a number? Do you have any idea what it costs us to rent the space that we have created as a protection in the Trump Tower?

Mr. ALLES. I do not off the top of my head. I would have to take it as a record—

Mrs. WATSON COLEMAN. All right. Could you possibly provide that for us?

Mr. ALLES. We can take that as a record question.

Mrs. WATSON COLEMAN. OK.

Mr. Roth, this is something that I raised yesterday. I guess—I have no idea when it was. Last time we had a hearing with CHS on the budget Secretary Kelly was in. I am very concerned that your budget is being reduced by 9 percent. I asked the Secretary about that, and he said, well, it is not going to interfere with anything that you are doing or anybody is doing in that space. But I would like to know from your perspective, what does that 9 percent reduction represent in your ability to do your job and the resources necessary to do it?

Mr. ROTH. It is about, by our calculation, about a 10 percent reduction from 17 services to what the President proposes in fiscal 2018. That represents about a 15 percent decrease in the number of people that we would have. So it will decrease the tempo of the kinds of audits, inspections, and investigations we will do, at the same that the Department itself is growing by about 6 percent. So we are going down while the Department is going up.

They are going up in very high-risk areas. Customs and Border Protection. Increased infrastructure investment in the Southwest Border barrier. Those kinds of things which really are meat and potatoes, what we spend a lot of time looking at, because they are risky areas for the Department, we will be unable to do anything with.

Likewise, in the cyber area, our desire is to increase our oversight over how it is that DHS does cyber both within the Department as well as Government-wide. We will be unable to do that work as well. So it will have a significant impact on what we will do, assuming that the President's budget becomes law.

Mrs. WATSON COLEMAN. Thank you.

Mr. Alles, one of the things that we talked about is the kind of training to make sure that our officers on whatever level have the kind of experiences and scenarios that prepare them for the breach that happened at the White House. I believe that there was a proposal and a request for some kind of a White House mock-up to be used through the training center, Rowley Training Center. Do I have that correct?

Mr. ALLES. Yes, ma'am. That is correct.

Mrs. WATSON COLEMAN. What is your opinion about it being eliminated from the budget request? How essential do you think it is in terms of keeping our President and his family and the people that are there safe from these kinds of intrusions?

Mr. ALLES. I mean, like other things, it is resource priorities. It is one that we have requested now as an unfunded item. But we

view that as important to the training of our agents overall, otherwise we have to try to run these scenarios on the White House grounds. That has severe limitations, because we are working with actual conditions, alarms, people that are actually armed with live weapons. So we have to approach that very gently, I guess is how I will say it.

So that training center would absolutely help us run scenarios, particular scenarios that might be more complex attack scenarios, in a more effective way. So it is clearly something we will continue to ask the Department for in terms of funding. We have scoped out exactly what the amounts that we need for that are, and we would like to see that funded in the future.

Mrs. WATSON COLEMAN. Thank you. I am just going to wrap up here, but I would just like to ask him a general question.

In addition to asking the questions about the costs associated with the protection at the Trump Tower, what we are paying the Trump Organization as a rent in order to do this, things of that nature, in general, are you comfortable with the budget request as it responds to what you see as your needs in order to ensure that you have good morale, good employees, happy employees, effective employees, and sufficient staff to do its job? That is No. 1.

No. 2, I guess this is for you, Mr. Roth, since I am just going to sneak this in, what is it specifically that we do at the Secret Service in the hiring practice that slows down the process that is being done better and could be done even better?

With that, I would yield back to my Chairman after you answer these.

Mr. ALLES. So, ma'am, I would comment that I think the budget is requesting the resources we need, which will help in terms of hiring, which will affect morale. But I would also say, as I indicated earlier, that as we look at our total organization, what we need to purchase to do our protection mission, our investigation mission more effectively, we are generally running on \$200 to \$300 million a year short of what would be required there. Again, like other parts of the agencies, we have to compete in the Department for funding. That is our job to continue to do that and justify our requirements.

Mrs. WATSON COLEMAN. Right now you are kind of robbing Peter to pay Paul. You are taking people off of their type of investigation, criminal investigation work, to put them on some protection work. So that is negatively impacting your investigation, criminal investigation work?

Mr. ALLES. Right. So over time our investigations drop when we have to do this much protection. So, clearly, raising the number of agents we have in the organization, also raising the number of Uniformed Division officers in the agency, would help us greatly.

Mrs. WATSON COLEMAN. Mr. Roth.

Mr. ROTH. With regard to their budget, we do not think the budget is sufficient. I know that Mr. Alles is constrained to support the President's budget. I am not similarly constrained because of the IG Act. We do not think it is sufficient. We think that it is—they need more personnel.

With regard to what can they do better, we wrote a report about law enforcement hiring that puts forth specific recommendations as

to what the Secret Service can do. But a couple of things is, one, they need to ensure that they have a polygraphy staff that is well-staffed, and it is not a collateral duty, and they have a full court press to ensure that that is not a bottleneck.

They need to modernize their systems, their information technology systems, when it comes to hiring to ensure they are not doing sort of duplicative work or having data systems that don't talk to each other, so there is a lot of manual entry, those kinds of things.

Then they need to ensure that they have a full staff of personnel specialists. Frankly, you can't overstaff this, given sort-of the full press that they are going to have to do to get the kind of personnel on board in a fast manner.

So those would be our recommendations. In that report, the Secret Service has agreed with our recommendations and is moving forward with those.

Mrs. WATSON COLEMAN. Thank you. I need you to know that it is important for us to work together to make sure that you have the resources that you need to keep our First Family safe as well as to do the kind of investigations that you do in your business. Thank you very much.

Thank you, Mr. Chairman.

With that, I want to ask unanimous consent for Ms. Sheila Jackson Lee to be on our panel, to be recognized and to be able to ask questions.

Mr. KATKO. Without objection, so ordered.

Mrs. WATSON COLEMAN. Thank you.

Ms. JACKSON LEE. Thank you.

Mr. KATKO. Well, thank you, Mrs. Watson Coleman.

The Chairman will now recognize other Members of the committee for questions they may wish to ask the witness. In accordance with our committee rules and practice, I plan to recognize Members who were present at the start of the hearing by seniority on the subcommittee. Those coming in later would be recognized in the order of arrival.

The Chair would now recognize the gentleman from Pennsylvania, Mr. Fitzpatrick.

Mr. FITZPATRICK. Thank you, Mr. Chairman.

Mr. Alles, Mr. Roth, thank you for coming, and also thank you for the work you do. It is not easy. Coming from a Federal law enforcement background myself here, I want to share with you a few things.

No. 1, it is easy to criticize agencies like the Secret Service, but these are men and women that you represent that make a conscious decision to put their life on the line in defense of others. So please thank them on behalf of our committee.

If I could just offer one piece of advice from the agents' perspectives, focus on morale, because it is very, very important. I can't think of a more important job as leaders of an organization than to watch the morale of your agents, because the higher the morale, the safer we are as a country.

I want to focus on the budget, which Mrs. Watson Coleman had addressed. The overall Department's budget is going up, one of the

few in the proposed budget. However, certain subsets are going down, most notably FEMA as well as the OIG.

So, Mr. Roth, I believe that certain outlays of money are investments and not expenses, because they ultimately result in a cost savings. The mission of the OIG is to cut back on fraud, waste, and abuse, which presumably would save the agency money and make it more efficient in the long run.

What specific programs—you started to address this—what programs will you be making the decision to cut back on, since you are going to be managing that budget? What specifically is going to be cut back so that we know what we can advocate for?

Mr. ROTH. Thank you for that. Our budget history has been very positive since my arrival. Both 2015, 2016, and 2017 have invested in the OIG with the idea, as the Brookings Institution had done a study just last year saying that if you actually cut IG budgets, it actually costs you money when you cut IG budgets. We have certain metrics as to every dollar spent in the IG—

Mr. KATKO. Of course, you are going to say that, right?

Mr. ROTH. Well, it is not just us.

Mr. KATKO. I am just kidding.

Mr. ROTH. It is the Brookings Institution. We do keep metrics, for the statutory metrics, about every dollar that you spend on the IG, and I think community-wide it is about \$17 to \$1. I don't have our figure handy.

But the risks that the Department faces are significant, and any time that you have growth in any areas within the Department, you are going to have risk. So if you are going to hire a significant number, for example, of Border Patrol agents or ICE deportation officers, that represents a risk to the Department that has to be addressed.

Our internal affairs function, for example, we have one special agent for every thousand employees in the DHS. It creates significant challenges.

I can go on. For example, in our cyber area, we have tried to increase our capabilities in that area to determine whether or not the Department is fulfilling its responsibilities in the cyber area, which is an enormous risk.

I could spend your entire 5 minutes talking about the kinds of things that we do and why it is necessary for the kinds of budget support that we get, but I think you get the idea.

Mr. FITZPATRICK. Mr. Roth and Mr. Alles, more importantly Mr. Roth, because you oversee all of DHS for OIG, the Border Corruption Task Force, which sat at the FBI's headquarters—I was previously part of that—how is that working? How are relations amongst the partners? Because, as you are aware, there were some problems in the past there.

Mr. ROTH. Yes. There were a number of problems in the past. I will freely acknowledge the fact that there were. A lot of it was on the fault of the OIG, and there was no question of that. I think we have mended those fences and are working well together.

Frankly, it depends on what field office you go to. Some of it is personality-driven, and some of that, as you know, very difficult to change.

Institutionally, we support the Border Corruption Task Forces. We participate in them. We have individuals who are colocated in the Border Corruption Task Forces, when we have the ability to. We only have about 250 special agents, probably 200 and some are in the field. We are not like the FBI with 10,000 agents. So we have to be careful as to where we put our personnel. But to the extent that we can, we colocate them with the FBI in those kinds of cases.

Mr. FITZPATRICK. Thank you, Mr. Roth.

I do want to note on the issue of the cuts to the OIG at DHS, there is a lot of talk about border security. One of the primary functions of your office is border corruption, which is as much of a vulnerability as a lack of a physical barrier, aerial surveillance, and the like. So all of that goes into the concept of border security, would you agree with that, and that cutbacks to the segments of DHS's budget would actually go to the border security issue?

Mr. ROTH. That is absolutely true. And that is especially true when you hire a work force, increase the work force that does the border security. There have to be the cops on the beat, the people who police the police.

Mr. FITZPATRICK. Mr. Chairman, I yield back.

Mr. KATKO. Thank you, Mr. Fitzpatrick.

The Chair now recognizes the gentlewoman from Texas, Mrs. Watson Coleman.

Mrs. WATSON COLEMAN. New Jersey. Ms. Jackson Lee.

Mr. KATKO. I am sorry. I have Watson Coleman on top of the list and I didn't cross it out. Let's try that again.

The Chair now recognizes the gentlewoman from Texas, Ms. Sheila Jackson Lee.

Ms. JACKSON LEE. Mr. Chairman, I have absolutely no quarrel with being a twin of Mrs. Watson Coleman.

Mrs. WATSON COLEMAN. Likewise.

Ms. JACKSON LEE. But let me thank the Chairman and Ranking Member for their courtesies, and let me thank the inspector general and the new director of Secret Service for their service to the Nation.

Let me, as well, indicate some of your staff may be aware that I have been working with the Secret Service for a very, very long time as a Member of this committee, and I want to ensure that you know that I appreciate your service greatly. I believe the men and women should, it should be known, that we appreciate the service that they give.

I also want to take note of the fact, because of the able work of the staff of this committee, that I take very seriously the words of the Protective Mission Panel regarding the Secret Service's paramount mission of protecting the President and First Family, I think it is also important other high-ranking officials, which is to allow no tolerance for error and a single miscue or even a split-second delay could have disastrous consequences for the Nation and the world.

We don't often be reminded of that, and I had the opportunity to see a movie that most people probably have not seen called "Killing Reagan," and it powerfully exhibited the dangers that those

who are in the Secret Service face when they are committed to putting their life on the line.

I also take note that this organization has a problem with morale and attrition, and the issues are around the agent burnout due to inflexible schedules, long shifts, and agents having to work and not use their annual leave or potentially not receive overtime compensation.

So I want to have a reasoned line of questioning on that basis. That would be to you, to the IG, again.

I believe that the 102 million cut is obscene. I think the President's budget is obscene. It is not realistic. In all of the lipstick on a pig that you are try to place, such as the Department is increasing, but the cut to the Secret Service is absolutely obscene.

Would you comment, please, on how deep a debt it is to have agents that are burned out, have inflexible hours, who have the responsibility of protectees, no matter how large a group happens to be in the First Family?

Mr. ROTH. Certainly, our prior work has shown the effects of overwork and fatigue, both on attrition as well as on mission capability, that our lookback on the fence-jumping incident, for example, showed that much of what occurred was because of inattention, we believe, due to fatigue, because of radios that were 17 years old and outside of their effective life cycle could not be repaired, for example. A number of errors upon errors.

I would agree with you that, given the zero-fail mission of the Secret Service, we ought to be erring on the side of ensuring that they have the kinds of resources that they need. Again, in my testimony, I talk about the fact that they actually need about 7,200—let me make sure I get this right—about 8,200 personnel, about 1,700 more than they currently have. The President's budget asks for an increase of 450, we think that is insufficient, that they need to get to the staffing models that the Secret Service themselves have created, sort of on a zero mission—

Ms. JACKSON LEE. I am going to interject because I have a series of questions.

Mr. ROTH. I apologize.

Ms. JACKSON LEE. So if you could quickly, the \$12 million that is cut from the National Computer Forensics Institute, can you in answering that question tell me how the Secret Service is keeping up with its criminal investigation duties while shifting significant resources to cover its expanded protectee mission? So a combination of losing computer training dollars in a Federally-funded training center, helping local law enforcement, and then to criminal investigation. Just quickly, difficult, challenge?

Mr. ROTH. We haven't looked at that specific issue. I apologize for that, we don't have an answer for that.

Mr. ALLES. I would just comment we will—

Ms. JACKSON LEE. Mr. Director, I am going to turn right to you. Just one moment.

Can you finish, what did you say? You didn't what?

Mr. ROTH. We haven't looked at that specific issue with regard to the specific fiscal 2018 budget cuts.

Mr. Jackson Lee. But would it be difficult?

Mr. ROTH. Of course, yes.

Ms. JACKSON LEE. All right. I want to turn to the director, and thank you very much. As I indicated, welcome. Go right ahead, criminal investigation, losing that money for the National—

Mr. ALLES. So we consider it critical, we will move to reprogram money to make sure it is funded. It is very critical to State and local people to—we train a lot of them down there in Hoover, Alabama.

Ms. JACKSON LEE. Great. Let me just, if I might, indulge me just for a moment, two things I want to cast on you. First of all, we have for a long time—this is to the director—worked to settle the Moore case. It has been settled, there is a judgment, there is money. I would like to know the status of that case and how you are responding to making those people whole.

The second, what I would like is to try to understand the size of the First Family—and some of this, Mr. Chairman, I would like to have in a Classified setting, we may have had one and I might have missed it. But I would make the point that there should be no diminishing of security, but it is certainly an extensive burden when you have protectees that are part of the Cabinet and sub-levels that travel all over.

So my question is how are you facing that generally? Are you placing people at Mar-a-Lago continuously or people have to move back and forth? If they wind up on the Mediterranean, do we have to send people there? We are not used to—we have humble people that are Presidents. We are not used to having billionaires, self-stated billionaires that have a life of frivolity where they summer here and winter here and the American people are still struggling to pay their rent. But the question is if they wind up in the Mediterranean for frivolity, then you have to have international resources to take care of that. Is that correct? You don't yield that to an international resource, meaning you don't yield that to foreign secret service.

Mr. ALLES. Well, if they are in a foreign country, ma'am, we do have to cooperate with foreign service as in make agreements diplomatic and what services we can provide in terms of protection. So we will protect them, but we do have to do it in cooperation with—

Ms. JACKSON LEE. So that is costing money?

Mr. ALLES. Clearly, when there is travel, there is going to be cost associated with it. Just to mention, in terms of residences, unless they are there full-time, we don't necessarily have full-time protection as residences. So a couple that you have mentioned would typically be like travel locations. If they are going to go down there, we will take necessary actions to ensure the site is prepared for the protectees to arrive.

Ms. JACKSON LEE. I will just finish on this point, Mr. Chairman and Ranking Member, again, I want to do everything I can to work with the Secret Service because I do believe the storied history of the Secret Service deserves our acknowledgment. Certainly to the work you have done, to the IG, I am very grateful that you are not subject to political whims so that we can get the Secret Service both in terms of the quality of young men and women who I believe would be interested in being recruited. Based upon salary and work conditions, but more importantly not to say anybody shuns their

service, but to have them at their peak, because their ultimate responsibility is to save a life.

So this is a disappointing budget. You are being a good soldier to the director, but you are being a good soldier and you are squeezing and picking and nitpicking and squeezing here and taking here. It is an absolute outrage, and I will frankly say that the Congress is going to ignore it completely and try to do what is right as relates to the Secret Service.

With that, Mr. Chairman, I yield back. I look forward to some Classified briefings where we can ask some more detailed questions about their work with protecting protectees. Thank you very much.

Mr. KATKO. Yes. We will definitely look at that in the future going forward as far as a Classified briefing or hearing in that matter. Thank you very much, Ms. Jackson Lee.

The Chair now recognizes the gentleman from Louisiana, Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman.

Director Alles, am I saying your name properly, sir?

Mr. ALLES. Alles, sir.

Mr. HIGGINS. Director Alles, thank you for your service. I have been a police officer for 14 years, SWAT for 12. It is interesting when we consider that the Secret Service was born of the Treasury Department to protect the people's treasure. Part of this committee's job as we—our Nation faces a \$20 trillion debt is it to protect the people's Treasury. So let's work together.

During the course of the history of the Secret Service, when President Obama traveled abroad, did the Secret Service provide protection?

Mr. ALLES. Yes, sir, absolutely.

Mr. HIGGINS. When he vacationed in Martha's Vineyard, did the Secret Service provide protection?

Mr. ALLES. Yes, sir.

Mr. HIGGINS. When President Bush was President, he traveled to Crawford. Did the Secret Service provide protection?

Mr. ALLES. Yes, sir.

Mr. HIGGINS. When President Carter traveled, way back in the 1970's, did the Secret Service provide protection?

Mr. ALLES. Yes, sir.

Mr. HIGGINS. When President Reagan went to the western White House, did the Secret Service provide protection?

Mr. ALLES. Yes, sir.

Mr. HIGGINS. Are you aware of any notation within the Constitution of these United States that limits the size of the First Family's number?

Mr. ALLES. No, sir. We are just required by statute to protect them.

Mr. HIGGINS. Thank you, sir. Let's move on, shall we?

During the course of my career as a police officer, I have had the honor to work with the Secret Service on a couple of Treasury cases. I find you gentlemen to be the most professional and tactically sound amongst our country. I thank you all for your service.

When you spoke of running scenarios, you were referring to, of course, tactical scenarios, like active shooter, barricaded hostage, VIP extraction, et cetera?

Mr. ALLES. Those would be sort-of part of them, but also scenarios that might involve complex attacks in the White House.

Mr. HIGGINS. Yes, sir. In the absence of a mock-up of the White House, has the Secret Service conducted scenario training?

Mr. ALLES. Only in a table-taught manner. We are looking at how we might do that at the White House itself. It has complications.

Mr. HIGGINS. But do you not have access to facilities where your agents can use—can conduct tactical training with simunition, et cetera?

Mr. ALLES. We do. What I would point out is one of the recommendations of the Protective Mission Panel was our training levels. Those have improved for our ERT people, but for our line agents and our UD officers it is not because of the workload they are under.

Mr. HIGGINS. Excellent answer. Regarding cybersecurity, Inspector General, I would like to direct this question to you, sir. You have assessed that the Secret Service's efforts to update and modernize its aging information technology infrastructure. I recently traveled with this committee to Eastern Europe to study Russian aggression, including cyber attack.

Considering the nature of the age of the IT infrastructure within the Secret Service, what challenges does this budget pose regarding hardening those systems and protecting them from cyber attack? This was specifically considering the fact that the treasury departments of other nations have been targeted by Russian cyber attack.

Mr. ROTH. I think any time that you have an old IT system, they are inherently vulnerable. One of the defenses for an IT attack, a cyber attack, is to ensure that you have the most modern equipment with the most up-to-date software. It is very difficult in a budget environment that prevents you from having the kinds of technological refreshes that would, in fact, keep you up-to-date and keep you current on cyber defenses.

Mr. HIGGINS. So do you have processes in place that have responded to the current heightened threat environment of cyber attack? Is the Treasury sufficiently protected from cyber attack?

Mr. ROTH. Within DHS we do reviews. The Federal Information Security Management Act requires annual reviews of every component's cyber posture, for lack of a better word. The Department itself does monthly reviews and scorecards to determine whether or not each component within the Department has the right kinds of protections in place. It is an on-going challenge, it is a continuing challenge. DHS historically has been challenged in this area, and Secret Service has been especially challenged in this area.

Mr. HIGGINS. Do you have dedicated staff that conduct cyber protection exercises?

Mr. ROTH. The Department does have a chief information security officer, and each component within DHS has a chief information security officer with staff whose job it is to harden the computer networks and measure exactly where they are on that spectrum.

Mr. HIGGINS. Thank you for that very thorough answer, sir. Thank you both for being here today.

Mr. Chairman, I yield back.

Mr. KATKO. Thank you Mr. Higgins.

Before we conclude, Mrs. Watson Coleman has one quick question, and then I have a suggestion I want to proffer to both of you.

So, Mrs. Watson.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman. I want to thank you for your generosity in this. It is actually a little bit more than one question.

I just want to lay some things on the table that I hope—so if you would like for us to—

Mr. KATKO. No, it is no problem at all. We have got some flexibility. Enjoy it.

Mrs. WATSON COLEMAN. I like that, I like that.

First of all, Mr. Alles, I asked a question of you that I really want you to respond to. I don't know if you will be able to respond it to it now, but I am seriously interested in understanding our responsibility to the adult members of the Trump family that we are protecting while they are doing business to enrich the Trump agencies and what that means.

I am also interested in following up specifically on the impact of the Moore settlement. What does it mean? Where are you all? What have you done? Sort of what your employment situation looks like.

I want you to also know that I am interested in both of your comments with regard to resources that are needed. For instance, the old radios and things of that nature. Well, what else are we talking about that I can't sort-of quantify in this budget? What would it be and how much would it be?

Last—and I want to thank you, Mr. Chairman, because we really covered a lot. I want you to know that I want to work with you all, because I believe that your agency is so vitally important, and we need to support the good men and women who are working there. I also look forward to our having our meetings in a more confidential way.

The other thing is this, for the record, I don't think that we should not be protecting each and every one of our Presidents and their families as they are doing their traveling. But I really do need to reiterate, for the record, that in the entire Obama Presidency, we spent \$97 million on travel. On the first 80 days of the Trump Presidency, we have spent \$20 million taxpayer dollars. That must mean something in terms of our responsibilities and the needs associated with that.

With that, I yield back to my new Chairman, and I thank you very much.

Mr. HIGGINS [presiding]. I thank the Ranking Member.

I recognize myself for a moment.

Gentlemen, regarding the budget as it is being discussed, and we hope that we can discuss this in a bipartisan manner, this committee recognizes the bipartisan nature of Homeland Security and every possible endeavor we set politics aside and try to work together.

So regarding the budget, could you give us a brief statement regarding how you would prioritize additional budget expenditures? Were we able to find the people's treasure to be wisely invested, as our colleagues have suggested? Could you give us some priorities?

Mr. ALLES. So from a Secret Service standpoint, one already mentioned is IT technology and infrastructure enhancements. That is one top area for us. The training center out at Rowley facility upgrades would help us significantly, along with the White House mock-up. Then beyond that, our weapons upgrades and our armored vehicle upgrades, really the future program, the vehicles have to be refreshed obviously and replaced as they wear. They are heavy vehicles and they do wear out.

So those really are our top five needs that we are looking at right now. I would just underwrite probably my No. 1 need continues to be, as mentioned by the IG, is the hiring and continuing to ramp up the levels in the Secret Service.

Mr. HIGGINS. I am impressed that you had that list on the top of your head. Can you provide that prioritized list to this committee, sir?

Mr. ALLES. We can, yes, sir.

Mr. HIGGINS. Thank you. I will relieve myself as Chair. It has been a nice visit.

Mr. KATKO [presiding]. Might I say, he has done a superb job.

Do you have any quick questions?

OK. Before we conclude, I do want to make a suggestion, and it is based on everything that has transpired today, but also from Mr. Roth's prior report and everything else.

It is clear that some things need to be done and it is clear that this budget doesn't reflect it. It is also clear that I think that Director Alles may have some sort of constraints with respect to what exactly he is going to request because of his position. I understand that. But I want to suggest that we do something a little different here, and that is within a month, ask the staffs of the committee, as well as folks from Secret Service, as well as from the inspector general's office, to come up, instead of general recommendations and general observations that are problems, come up with specific requests of what you think we are going to need. Then let us see what we can do. OK? Make it your wish list, if you will.

But there is obviously some systemic things here. Do we need to tweak retirement to reflect the fact we need to retain these highly specialized people in a different field? Do we need to do something about the pay? Obviously, we do. Do we need to do something about the manpower? The major issues. Instead of just giving a top line messaging, give us the nitty-gritty of what it is from—that is different from the budget that we really need to do.

I—that is the only way we are ever going to really get to the bottom of this and try and really make some real changes. So—and quantify it, right, so we can figure out exactly what it is we can do to try and help you. Because this is a critical—I view this as a critical juncture for Secret Service. Director Alles is in kind-of a good situation because you have the opportunity to have almost a clean slate, and this is a new hearing. This is a new committee here as far as our jurisdiction over Secret Service, so let us try and

see what we can come up with, but let's do it in a collaborative effort and see what we can do.

So I ask all of you within 1 month of today to come up with some suggestions as to possible fixes, be they legislatively or otherwise. Most likely will be legislatively. We have never been shy to do that, so let's take a look at that.

Does that sound all right, everybody?

Mr. ROTH. Yes.

Mr. ALLES. Yes, sir.

Mr. KATKO. All right. I want to thank all the witnesses for their testimony and the Members for their questions. The Members of the committee may have some additional questions for the witnesses, and we will ask you to respond to these in writing.

Pursuant to committee rule VII(D), the hearing record will be held open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 3:20 p.m., the subcommittee was adjourned.]

