Airport Insecurity: TSA's Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies

JOINT MAJORITY STAFF REPORT

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Executive Summary

The terrorist attacks of September 11, 2001, led to dramatic reforms in how the federal government protects the traveling public and the Nation's transportation sector. Securing commercial aviation became a top priority for Congress and resulted in the development and passage of the Aviation and Transportation Security Act of 2001 (ATSA). ATSA created the Transportation Security Administration (TSA) and directed the agency to secure travelers through improved passenger and baggage screening operations. To successfully carry out its mission, TSA utilizes many layers of security, including screening technology.

This report is a critical examination and analysis of TSA's procurement, deployment, and storage of screening technologies. During the past ten years, TSA has struggled to cost-effectively utilize taxpayer funding to procure and deploy security equipment at the Nation's 463 airports where TSA provides screening operations.

This report highlights serious inefficiencies in TSA's management and deployment of screening technology, and provides recommendations for the improvement of TSA's role in securing the U.S. transportation system. The report makes recommendations emphasizing TSA's need to more effectively develop its deployment strategy prior to the procurement of screening technologies. In addition, TSA must look for ways to reduce significant shipping costs for the thousands of pieces of equipment it deploys annually.

Joint Committee Transportation Security Oversight

This investigation and report was conducted by Majority staff of the House Committee on Oversight and Government Reform and House Committee on Transportation and Infrastructure. It is the second joint-committee report issued by these committees[1] within the past six months and a continuation of oversight of TSA operations in Orlando, Florida; Dallas, Texas; and Los Angeles and San Francisco, California and examines how to best reform and enhance TSA's aviation security operations. Members of the Committee on Transportation and Infrastructure were responsible for authoring the organic legislation that created TSA. Since its inception, Members of the Committee on Oversight and Government Reform have been responsible for oversight of TSA, especially as it pertains to waste, fraud, and mismanagement.

[1] On November 16, 2011, the Committee on Oversight and Government Reform and the Committee on Transportation and Infrastructure issued a joint staff report, entitled, "*A Decade Later: A Call for TSA Reform*," as "an examination and critical analysis of the development, evolution, and current status and performance of TSA ten years after its creation."

Key Findings

TSA Procurement, Deployment, and Storage of Security Technology and Equipment at its Transportation Logistics Center

- TSA is wasting hundreds of millions of taxpayer dollars by inefficiently deploying screening equipment and technology to commercial airports.
    - As of February 15, 2012, TSA stored approximately 5,700 pieces of security equipment in warehouses at TSA's Transportation Logistics Center (TLC) in Dallas, Texas.
    - As of February 15, 2012, the total value of TSA's equipment in storage was, according to TSA officials, estimated at $184 million. However, when questioned by Committee staff, TSA's warehouse staff and procurement officials were unable to provide the total value of equipment in storage.
    - TSA's annual costs for leasing and managing the TLC are more than $3.5 million.
    - Committee staff discovered that ***85% of the approximately 5,700 major transportation security equipment currently warehoused at the TLC had been stored for longer than six months; 35% of the equipment had been stored for more than one year.*** One piece of equipment had been in storage more than six years – 60% of its useful life.
    - As of February 2012, Committee staff discovered that ***TSA had 472 Advanced Technology 2 (AT2) carry-on baggage screening machines at the TLC and that more than 99% have remained in storage for more than nine months; 34% of AT2s have been stored for longer than one year***.
    - Committee staff estimate that the delayed deployment of TSA's state-of-the-art screening technologies has resulted in a massive depreciated loss of equipment utility at an estimated cost to taxpayers of nearly $23 million.
    - TSA warehouse staff was unable to provide the total annual cost for disposition of equipment.
    - ***The limited use of direct shipping from manufacturer to deployment location has resulted in the overutilization of the Transportation Logistics Center and excessive annual deployment costs of between $50-$100 million***.
- TSA is failing to effectively procure screening technology and equipment for use at commercial airports.
    - TSA knowingly purchased more Explosive Trace Detectors (ETDs) than were necessary in order to receive a bulk discount under an incorrect and baseless

assumption that demand would increase. TSA management stated: "[w]e purchased more than we needed in order to get a discount."

- As of February 15, 2012, TSA possessed 1,462 ETDs in storage in its TLC warehouses. ***At approximately $30,000 per ETD, TSA's purchases equate to nearly $44 million dollars in excessive quantities of ETD machines***.

- ***492 of the ETDs had been in storage for longer than one year***.

- When questioned, ***TSA officials were incapable of providing the deployment plan for these Explosive Trace Detectors***.

<u>TSA's Failure to Comply with Congressional Oversight</u>

- TSA intentionally delayed Congressional oversight of the Transportation Logistics Center and provided inaccurate, incomplete, and potentially misleading information to Congress in order to conceal the agency's continued mismanagement of warehouse operations.

- ***TSA willfully delayed Congressional oversight of the agency's Transportation Logistics Center twice in a failed attempt to hide the disposal of approximately 1,300 pieces of screening equipment from its warehouses in Dallas, Texas, prior to the arrival of Congressional staff***.

- ***TSA potentially violated 18 U.S.C. Sec. 1001, by knowingly providing an inaccurate warehouse inventory report to Congressional staff that accounted for the disposal of equipment that was still in storage at the TLC during a site visit by Congressional staff***.

- TSA provided Congressional staff with a list of disposed equipment that falsely identified disposal dates and directly contradicted the inventory of equipment in the Quarterly Warehouse Inventory Report provided to Committee staff on February 13, 2012.

Background

The Aviation and Transportation Security Act of 2001 (ATSA), P.L. 107-71, was signed into law by President George W. Bush on November 19, 2011, in the aftermath of the attacks on September 11, 2001. ATSA created the Transportation Security Administration (TSA) and charged it with securing all modes of transportation. TSA has a vital and important mission and serves a critical role in the security of the traveling public. Pursuant to ATSA, it is the responsibility of Congress to provide oversight of TSA, its mission and operations.

To fulfill its mission, TSA has incorporated many layers of security programs. One of the most important components of TSA's security operation is the procurement and utilization of security screening technologies. Effective transportation security

equipment is essential to TSA's ability to successfully protect the Nation's civil aviation system while allowing for the free flow of travelers and commerce. Since 2001, TSA has obligated more than $8 billion for the enhancement of passenger and checked-baggage screening. Currently, TSA has approximately 16,000 pieces of screening equipment deployed to 463 airports nationwide.[2]

TSA Transportation Logistics Center (TLC)

In order to manage the procurement and deployment of tens of thousands of pieces of screening equipment, TSA created the Transportation Logistics Center in 2005. The Transportation Logistics Center is the equipment clearinghouse that TSA uses to receive and ship screening equipment to and from manufacturers and deployment locations. It is also used to store equipment awaiting repair or redeployment.[3] The TLC is located in Dallas, Texas, and is comprised of three warehouses totaling nearly 700,000 square feet of space.[4]

Annual costs for leasing and managing the TLC are more than $3.5 million.[5] This includes $1.7 million per year for operations at the three warehouses, which are managed by contractors[6] and approximately $1.8 million per year for leasing the three warehouses.[7] In 2009, Department of Homeland Security Office of Inspector General (DHS OIG) cited TSA's inefficient management of its security equipment as a contributing factor for TSA's addition of the third warehouse to the TLC at a cost of $2 million.[8]

TSA is Failing to Effectively Procure and Deploy its Screening Technology

Since the U.S. Department of Homeland Security (DHS or Department) was created on November 25, 2002, the Government Accountability Office (GAO) has designated the Department of Homeland Security, and its programs as "high risk" partially due to its continuing challenges in efficiently procuring security technologies. Despite longstanding concerns, DHS, and particularly TSA, have struggled to implement sound and well-planned acquisition policies.

In addition to these struggles, TSA's failure to implement a risk-based approach in the procurement and deployment of its screening technologies has resulted in hundreds of

[2] TSA Briefing document "acquisition and disposition of TSA Equipment," Aug. 9, 2011.
[3] Department of Homeland Security Office of Inspector General, "Management of the Transportation Security Administration's Logistics Center, Nov. 2009, OIG 10-14, p.2.
[4] Briefing with TSA Officials and TLC Warehouse Manager and H. Comm. on Oversight and Gov't Reform and H. Comm. on Transportation and Infrastructure Staff, Transportation Logistics Center, Dallas, Texas, Feb. 15, 2012.
[5] See, Id.
[6] TSA Briefing document "acquisition and disposition of TSA Equipment" August 9, 2011
[7] *Id.*
[8] Department of Homeland Security Office of Inspector General, "Management of the Transportation Security Administration's Logistics Center, Nov. 2009, OIG 10-14, p.2.

millions of dollars of wasted taxpayer investment. Throughout the past decade, TSA's failure to efficiently manage its screening technology acquisition process has led to the deployment of operationally ineffective technologies, also resulting in the accumulation of thousands of pieces of screening equipment in storage for excessive amounts of time.

Major TSA Procurement and Deployment Failures

Explosive Trace Detection Portals (Puffers)

From 2004 to 2006, TSA spent more than $30 million to procure and deploy Explosive Trace Detection Portals, known as "puffers," as part of its passenger screening operations. While TSA procured 207 puffers, the agency deployed only 101 – less than 50% of procured puffers – nationwide because TSA belatedly discovered the puffers were unable to detect explosives in an operational environment.[9] TSA rushed this untested product to deployment, ignoring internal procedures designed to prevent this type of waste. After the decision was made to remove and dispose of the puffers, TSA stored this ineffective technology for upwards of four years at taxpayer expense prior to disposition in 2009 and 2010.

Advanced Imaging Technology Devices (AIT)

In response to the Christmas Day Underwear Bomber Attack, "TSA revised the AIT procurement and deployment strategy, increasing the planned deployment of AITs . . . and using AITs as a **primary**—instead of a secondary—screening measure where feasible."[10] According to GAO, however, "**it remains unclear whether the AIT would have been able to detect the weapon Mr. Abdulmutallab used in his attempted attack based on the preliminary TSA information we have received**." [Emphasis Added].[11]

Failing to learn from its failed procurement of "puffers," and in the wake of the Christmas Day Bomber, TSA rushed to install 500 Advanced Imaging Technology devices, without clear evidence of effectiveness, at a cost of more than $122 million.[12] Despite lingering passenger health concerns and uncertainty that AIT would have detected the weapon used in the December 2009 Underwear Bomber incident, TSA planned to increase its deployment of AITs from 878 to 1,800 by the end of FY 2014.[13] GAO has estimated increases in staffing costs alone, due to doubling the number of AITs that TSA plans to deploy, could add up to $2.4 billion over the expected service life of the AITs.[14]

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[9] See, http://homelandsecuritynewswire.com/tsa-puffer-machines-pulled-service. (last visited March 14, 2012).
[10] *See*, "Aviation Security: TSA is Increasing Procurement and Deployment of the Advanced Imaging Technology, but Challenges to This Effort and Other Areas of Aviation Security Remain," GAO-10-484T, U.S. Government Accountability Office, Mar. 2010.
[11] See, Id.
[12] E-mail from TSA Legislative Affairs House Oversight and Government Reform Committee (March 3, 2011, 2:00 p.m. EST).
[13] Supra, note 12.
[14] Id.

Despite already spending hundreds of millions of dollars on the procurement of ineffective Advanced Imaging Technology machines, TSA is also ineffectively deploying the screening technology. On March 26, 2012, at a joint hearing conducted by the Committee on Oversight and Government Reform and Committee on Transportation and Infrastructure, Stephen Lord, GAO's Director of Homeland Security, testified that: "some of the deployed AIT units were used on less than 5 percent of the days they were available since their deployment . . . some units were used on less than 30 percent of the days available since their installation."[15] As such, the ineffective deployment of AIT diminished any "potential security benefits" of the technology and highlights the import of effective deployment.[16]

In-Line Explosive Detection Systems (EDS)

TSA is failing to deploy in-line Explosive Detection Systems in a cost-effective and risk-based manner. Currently, less than half of the nation's 35 largest airports, which handle 75% of all commercial passengers,[17] screen all checked baggage through in-line systems. TSA has estimated that in-line explosive detection systems for checked baggage could reduce the number of required TSA baggage screeners by as much as 78%.[18] However, despite the potential security and economic benefits of in-line baggage screening, GAO found that TSA is struggling to upgrade its deployed fleet of checked baggage-screening machines and that some of TSA's deployed machines are detecting explosives at standards promulgated in 1998.[19] GAO recommended that TSA develop a plan to upgrade and deploy EDS that meet current explosive detection standards. Although TSA concurred with this recommendation from GAO in July 2011, the recommendation still remains open and unfulfilled.

As previously noted, TSA's inability to follow its own procurement guidance has led to the deployment of hundreds of millions of dollars of ineffective technologies. The importance of conducting a cost-benefit analysis to guide the procurement and deployment needs of the agency cannot be overstated.

Transportation Logistics Center Oversight by Congressional Staff from the House Committee on Oversight and Government Reform and House Committee on Transportation and Infrastructure

In November 2009, the DHS OIG issued report OIG-10-14 entitled "*Management of the Transportation Security Administration's Logistics Center.*" The report highlighted

[15] Hearing, U.S. House Committee on Oversight and Government Reform, "TSA Oversight Part III: Effective Security or Security Theater?," Mar. 26, 2012.
[16] See, Id.
[17] Federal Aviation Administration, Aerospace Forecast: Fiscal years 2011-2031, at 26, available at http://www.faa.gov/about/office_org/headquarters_offices/apl/aviation_forecasts/aerospace_forecasts/2011-2031/media/2011%20Forecast%20Doc.pdf.
[18] *See*, "Aviation Security: "TSA Has Enhanced Its Explosives Detection Requirements for Checked Baggage, but Additional Screening Actions Are Needed," GAO-11-740, U.S. Government Accountability Office, June 2011.
[19] See, Id.

systemic flaws in TSA's ability to manage its technology inventory. The DHS OIG found that TSA "did not efficiently deploy, redeploy, or dispose of transportation security equipment through its Transportation Logistics Center."[20] Specifically, the DHS IG concluded that TSA "stored new equipment more than 3 years without written transition plans for its deployment; did not perform timely assessments of the condition of used equipment to determine whether these items could be redeployed; and stored excess transportation security equipment longer than necessary."[21]

Despite the concerns raised by the DHS IG in November 2009, TSA has not taken significant steps to address these challenges. The continued inefficient equipment utilization rates and industry concerns about TSA's technology procurement and deployment prompted Congressional staff to review the Transportation Logistics Center in Dallas, Texas. Committee staff traveled to Dallas, Texas on February 15, 2012, to conduct oversight and review of the Transportation Logistics Center warehouses.

Investigative Findings by Congressional Staff from the House Committee on Oversight and Government Reform and House Committee on Transportation and Infrastructure

Committee staff discovered that TLC warehouses contained 18,280 items, including approximately 5,700 pieces of screening equipment.[22] The total value of TSA's security equipment in storage is estimated at approximately $184 million. ***However, when questioned by Committee staff, TSA's warehouse staff and officials were unable to provide the total value of equipment in storage***.[23] Demonstrating a further lack of knowledge about its warehousing of technology worth hundreds of millions of dollars, TSA staff and warehouse management were unable to provide the exact quantities and locations for equipment in storage.

Transportation Security Equipment	Warehouse Quantity[24]	Approximate Cost Per Unit	Approximate Total Cost
Advanced Imaging Technology (AIT)	14	$125,000	$1.75M
Advanced Technology (AT)	4	$115,000	$460,000
Advanced Technology 2 (AT2)	472	$150,000	$70.8M
Bottle Liquid Scanner (BLS)	151	$35,000	$5.3M
Cargo Scanner	4	$500,000	$2M
Explosive Detection Systems (EDS)	54	$1M	$54M
Enhanced Metal Detector (EMD)	262	$7,000	$1.8M
Explosive Trace Detector (ETD)	1,462	$30,000	$44M
Threat Image Projection (TIP) Ready X-Ray	77	$50,000	$3.9 M

[20] Report, Department of Homeland Security Office of Inspector General, "Management of the Transportation Security Administration's Logistics Center, Nov. 2009, OIG 10-14.
[21] *Id.*
[22] Transportation Security Administration, TSA Quarterly Warehouse Inventory Report (February 13, 2012).
[23] Briefing with TSA Officials and TLC Warehouse Manager and H. Comm. on Oversight and Gov't Reform and H. Comm. on Transportation and Infrastructure Staff, Transportation Logistics Center, Dallas, Texas, Feb. 15, 2012.
[24] Transportation Security Administration, TSA Quarterly Warehouse Inventory Report (February 13, 2012).

(TRX)		
	Total	**$184M**

The chart above illustrates a list of major security equipment Committee staff discovered in storage at the TLC.[25]

TSA's Failure to Ensure the Timely Deployment of Screening Technology to Commercial Airports

The timely and effective deployment of screening technologies is essential to securing commercial aviation aircraft and maximizing taxpayer investment. Committee staff uncovered that TSA continues to struggle to deploy and redeploy its screening technologies in a timely and efficient manner. While conducting oversight of TSA's Transportation Logistics Center, warehouse management was unable to provide Committee staff with the name of the person or persons responsible for deciding whether or not equipment was still serviceable.

In 2009, the DHS OIG found that nearly 36% of TSA's screening equipment had been in storage for more than one year.[26] As Committee staff discovered two years later, of the 2,500 pieces of major transportation security equipment currently stored at the TLC, 2,115 pieces, 85% of the security equipment, had been stored for six months or longer and 885 pieces, 35% of the security equipment, had been stored for more than one year.[27] One piece of equipment discovered had been in storage more than 6 years – 60% of its useful life.[28] Although the DHS OIG made recommendations in 2009 to develop and implement procedures to efficiently deploy security technology from the TLC, management of the warehouses has not improved and TSA has not taken the appropriate actions to prevent wasting millions of taxpayer dollars.

[25] The chart represents figures from TSA's Quarterly Warehouse Inventory Report and Committee Investigators' site review of the TSA Transportation Logistics Center in Dallas, Texas, on February 15, 2012.
[26] Report, Department of Homeland Security Office of Inspector General, "Management of the Transportation Security Administration's Logistics Center, Nov. 2009, OIG 10-14.
[27] Transportation Security Administration ,TSA Quarterly Warehouse Inventory Report (February 13, 2012).
[28] *See*, Id.

Transportation Security Equipment	Quantity[29]	Approximate Cost Per Unit	Useful Life (Years)[30]	Avg. Time in Storage (Months)[31]	Est. Total Cost of Depreciation
Advanced Imaging Technology (AIT)	14	$125,000	7	11	$229,116
Advanced Technology (AT)	4	$115,000	7	9	$49,286
Advanced Technology 2 (AT2)	472	$150,000	7	11	$9,271,429
Bottle Liquid Scanner (BLS)	151	$35,000	7	9	$566,250
Cargo Scanner	4	$500,000	7	9	$214,286
Explosive Detection Systems (EDS)	54	$1M	10	16	$7,200,000
Enhanced Metal Detector (EMD)	262	$7,000	10	19	$290,383
Explosive Trace Detector (ETD)	1,462	$30,000	8	10	$4,568,750
Threat Image Projection (TIP) Ready X-Ray (TRX)	77	$50,000	8	16	$641,667
				Total	$23M

The chart above illustrates an approximate calculation of the cost of depreciation of major security equipment caused by significant delays in deployment.[32]

As illustrated in the chart above, delays in TSA's deployment of security equipment have created a profound effect of diminishing the useful life of TSA's screening technologies, causing enormous economic impact to taxpayers. ***Committee staff estimate that the delayed deployment of TSA's state-of-the-art screening technologies has resulted in a massive depreciated loss of equipment utility at an estimated cost to taxpayers of nearly $23 million.*** Additionally, the delayed deployment of this technology reduces the effective timeframe for equipment warrantees.

[29] Id.
[30] Id.
[31] Id.
[32] The estimated total cost of depreciation is calculated using the straight-line method of depreciation where the security equipment is expensed in equal increments over the useful life of the equipment. As an example, using this method the estimated total cost of depreciation for AITs is calculated as such [$125,000/(7yrs*12mos)] * (14) * (11) = $229,116.

Further, the limited use of direct shipping from manufacturer to deployment location has resulted in the overutilization of the Transportation Logistics Center and excessive annual deployment costs from $50-$100 million.[33]

TSA's Excessive Procurement of Technology, Costing Taxpayers Millions of Dollars

Committee staff discovered that TSA possessed 1,462 Explosive Trace Detector devices in storage at the TLC.[34] When questioned about why the agency needed to store such a large quantity of ETDs at the TLC, TSA management officials responded: "[w]e purchased more than we needed in order to get a discount."[35] When further pressed for a deployment schedule to justify the need for such an excessive quantity of ETDs, TSA was unable to provide any more guidance other than that they hoped to deploy some of these ETDs in FY 2012.[36] Additionally, TSA did not consult airport offices regarding equipment replacement plans prior to procurement of these ETDs. It is an unacceptable practice for federal departments, especially one deemed as "high risk," to procure and store tens of millions of dollars worth of technology for an indeterminate amount of time with no defined plan for utilization.

"We purchased more than we needed in order to get a discount"

TSA Senior Management's response when asked why TSA had 1,462 ETDs in storage

TSA's warehouses also contained 472 state-of-the-art Advanced Technology 2 (AT2) carry-on baggage screening machines for a total purchase price of nearly $71 million.[37] More than 99% have remained in storage for more than nine months and 34% of AT2s have been stored for longer than one year.[38] TSA personnel were unable to provide the deployment plan for this technology.[39] TSA's failure to deploy this cutting-edge technology in a timely manner is yet another example of the agency's flawed procurement and deployment program. TSA spent approximately $44 million of taxpayer funding to procure and store 1,462 ETDs for an average of 10 months without identifying an immediate or definite need.[40]

TSA has wasted hundreds of millions of dollars in taxpayer funds on failed solutions to securing commercial aviation, ignoring internal protocols to prevent such waste and adopting technologies that have repeatedly failed operational and covert testing.

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[33] Briefing with TSA Officials and TLC Warehouse Manager and H. Comm. on Oversight and Gov't Reform and H. Comm. on Transportation and Infrastructure Staff, Transportation Logistics Center, Dallas, Texas, Feb. 15, 2012.
[34] Transportation Security Administration, TSA Quarterly Warehouse Inventory Report (February 13, 2012).
[35] Briefing with TSA Officials and TLC Warehouse Manager and H. Comm. on Oversight and Gov't Reform and H. Comm. on Transportation and Infrastructure Staff, Transportation Logistics Center, Dallas, Texas, Feb. 15, 2012.
[36] *See*, Id.
[37] Transportation Security Administration, TSA Quarterly Warehouse Inventory Report (February 13, 2012).
[38] Id.
[39] Briefing with TSA Officials and TLC Warehouse Manager and H. Comm. on Oversight and Gov't Reform and H. Comm. on Transportation and Infrastructure Staff, Transportation Logistics Center, Dallas, Texas, Feb. 15, 2012.
[40] See, Id.; TSA Quarterly Warehouse Inventory Report (February 13, 2012).

TSA's Failure to Comply with Congressional Oversight

TSA Intentionally Delayed Congressional Oversight of the Transportation Logistics Center and Provided Inaccurate, Incomplete, and Potentially Misleading Information to Congress in Order to Conceal the Agency's Continued Mismanagement of Warehouse Operations.

On February 13, 2012, after six months of oral and written requests, TSA's Office of Legislative Affairs finally provided a copy of its Quarterly Warehouse Inventory Report to Congressional staff.[41] The quarterly warehouse inventory report is the primary document TSA uses to account for its equipment inventory at the three warehouses that comprise the Transportation Logistics Center. It remains unclear why the delivery to Congressional staff of TSA's Quarterly Warehouse Inventory Report was delayed for such an excessive length of time.

Moreover, the Congressional request for an on-site visit and review of TSA's Transportation Logistics Center was apparently deliberately delayed twice in order to allow TSA time to conceal the mismanagement of warehousing operations at the TLC.[42] It wasn't until Congressional staff performed the on-site visit and review on February 15, 2012, that the reasons for TSA's delays were discovered. TSA's apparent motive was to 1) allow TSA time to conceal the mismanagement of warehousing operations at the TLC and 2) make the warehouse inventory conform to the document previously delivered to the Committee on Oversight and Government Reform on February 13, 2012.

During interviews with TSA warehouse staff, Committee staff learned that TSA had disposed of almost 1,300 pieces of screening equipment (not included on the Feb. 13, 2012, Quarterly Warehouse Inventory Report provided to OGR) the week of the warehouse visit and that the warehouse staff was actively removing the remainder of the equipment scheduled for disposition from the TLC the morning of the Congressional review.[43] Committee staff noticed that very few of the warehouse crew was working in the TLC at approximately 3:00 PM on February 15, 2012.[44] When Committee staff questioned where the majority of the warehouse crew was working, the warehouse manager told Committee staff that he gave the warehouse crew the rest of the day off because they had been working since 6:00 AM to move the remainder of the 1,300 pieces of equipment – not included on the warehouse inventory report provided to the Committee – out of the warehouse.[45]

[41] Email from TSA Legislative Affairs to House Oversight and Government Reform Committee (Feb. 13, 2012).
[42] Email from TSA Legislative Affairs to House Oversight and Government Reform Committee (Feb. 1, 2012, and Feb. 9, 2012).
[43] Briefing with TSA Officials and TLC Warehouse Manager and H. Comm. on Oversight and Gov't Reform and H. Comm. on Transportation and Infrastructure Staff, Feb. 15, 2012. TSA's official term "disposition" refers to the removal of items from the TLC.
[44] Id.
[45] *See*, Id.

Despite TSA's efforts to conceal the fact that the agency was moving the remainder of the 1,300 pieces of equipment – Committee staff were originally scheduled to visit the TLC at 9:00 AM on February 15, 2012 – at least 100 pieces of that security equipment were still in the warehouse on February 15, 2012, but were not accounted for on the official TSA Quarterly Warehouse Inventory Report provided to the House Committee on Oversight and Government Reform on February 13, 2012.[46] Congressional staff took pictures of the equipment (attached) as clear evidence that TSA provided inaccurate and misleading information and documents in response to Congressional oversight.

TSA Provided Congressional Staff with a List of Disposed Equipment that Falsely Identified Disposal Dates and Directly Contradicted the Inventory of Equipment in the Quarterly Warehouse Inventory Report Provided to Congressional Staff

During the site visit by Congressional staff, TSA warehouse staff and officials agreed to provide a detailed listing of the nearly 1,300 pieces of equipment recently disposed of from the TLC.[47] On March 6, 2012, still awaiting the list of recently disposed equipment, the Committees on Transportation and Infrastructure and Oversight and Government Reform transmitted a letter to TSA requesting a detailed listing of all equipment disposed of from the TLC from November 1, 2011, through March 1, 2012. On April 2, 2012, TSA responded to the Committees' inquiry with the list of equipment disposed of from the TLC between November 1, 2011, and March 1, 2012. The list of disposed equipment falsely identified disposal dates and directly contradicted the inventory of equipment in the Quarterly Warehouse Inventory Report provided to Committee staff on February 13, 2012. TSA also omitted specific data related to how long equipment remained in storage after it was coded for disposal.[48]

These troubling discoveries by Congressional staff highlight serious problems in how TSA responds to Congressional inquiries about the agency's oversight of its operations.

TSA's Potentially Violation of 18 U.S.C. Sec. 1001

Intentionally delaying Congressional staff two separate times to conceal the inefficient management of warehousing operations is unacceptable. However, even more disturbing is that TSA potentially violated 18 U.S.C. Sec. 1001, by knowingly providing a materially false warehouse inventory report to Congressional staff that accounted for the disposal of equipment that was still in storage at the TLC:

18 U.S.C. Sec. 1001

[46] Id.
[47] Id.
[48] Transportation Security Administration Production to the House Oversight Committee regarding March 6, 2012, letter from Rep. Darrell Issa, Chairman, House Oversight and Government Reform Committee, and Rep. John Mica, Chairman, House Committee on Transportation and Infrastructure.

(a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully –
   (1) Falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
   (2) Makes any materially false, fictitious, or fraudulent statement or representation; or
   (3) Makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry . . .

(c) With respect to any matter within the jurisdiction of the legislative branch, subsection (a) shall apply only to –
   (1) Administrative matters, including a claim for payment, a matter related to the procurement of property or services, personnel or employment practices, or support services… or
   (2) Any investigation or review, conducted pursuant to the authority of any committee, subcommittee, commission or office of the Congress, consistent with applicable rules of the House or Senate.

TSA has wasted hundreds of millions of dollars in taxpayer funds because of its ineffective technology procurement, deployment, and warehousing operations. Its disregard for Congressional oversight is unacceptable. The American taxpayers deserve a Transportation Security Administration that is more transparent and accountable to the traveling public and Congress for the use of taxpayer funding.

Recommendations

The TSA Administrator should take the following immediate actions:

- Halt all equipment procurement unless there is a bona fide need.
- Require an extensive review of the agency's management of technology procurement, deployment, redeployment of screening technology.
- Require an internal review performing a cost-benefit analysis of procurement and deployment for all screening technology.
- Require TSA to formulate a deployment plan prior to procurement of all screening technology.
- Require periodic reviews to ensure that TSA is effectively deploying screening technology.

- Require that screening technologies must be reviewed and approved by an independent group of scientists. The independent group of scientists must be entirely impartial and objective.

- Halt deployment of any screening technology prior to validation by an independent scientific community and a cost-benefit analysis for utilizing the screening technology.

- Immediately implement – not simply concur with – all recommendations by the Government Accountability Office related to the procurement, deployment, and storage of screening technology.

- Increase the frequency of direct shipping from the equipment manufacturer to the deployment location to reduce excessive shipping costs.

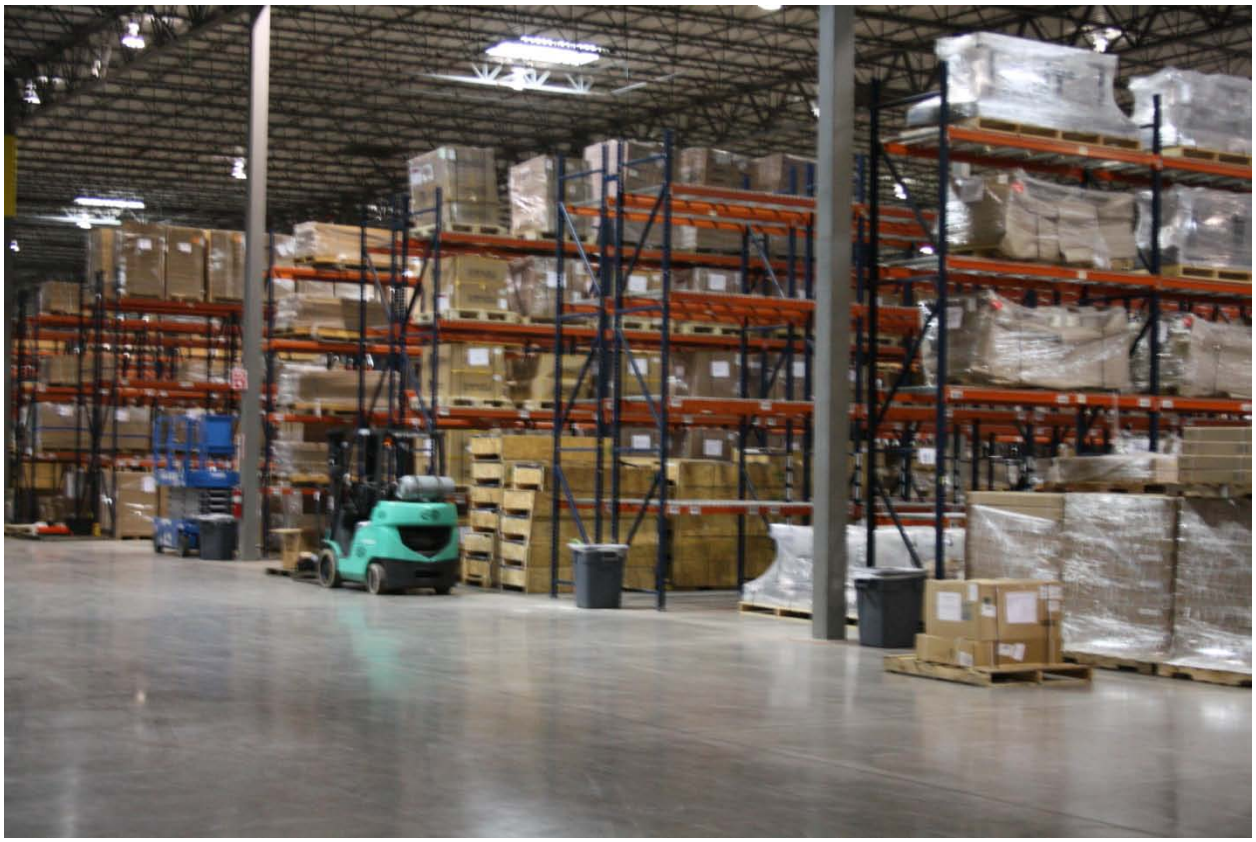
- Improve the management of technology deployment to limit excessive storage times and reduce the impact of technology depreciation.

- Review and adjust TSA's policies to ensure compliance with Congressional oversight.

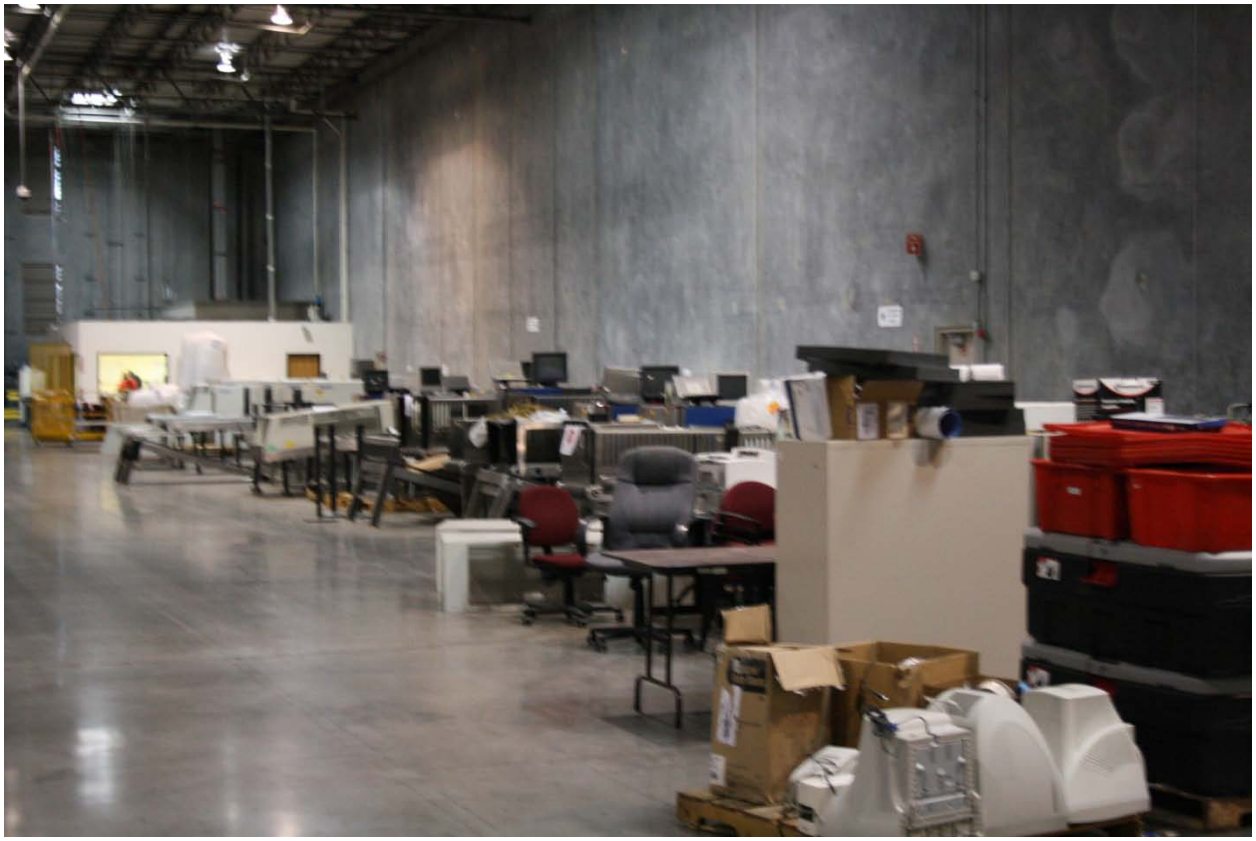
- Ask the U.S. Department of Homeland of Security Inspector General to review TSA's compliance with congressional oversight during the 112th Congress.

- Mandate a review of TSA's production of inaccurate and misleading documents (Quarterly Warehouse Inventory Report) to the House Oversight and Government Reform Committee, which is responsible for oversight of TSA, on February 13, 2012.

Attachments



TSA's Transportation Logistics Center in Dallas, Texas.



Remainder of 1,300 pieces of equipment scheduled for disposition and not accounted for on documents provided to the Committee on Oversight and Government Reform and Committee on Transportation and Infrastructure.

Advanced Technology 2 machines (AT2s) sitting in the Transportation Logistics Center awaiting deployment.

Advanced Imaging Technology sitting in the Transportation Logistics Center since August 4, 2008.

Explosive Detection System sitting in the Transportation Logistics Center since December 12, 2010.

Contacting the Committees

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