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U.S. SECRET SERVICE: IDENTIFYING
STEPS TO RESTORE THE PROTECTIVE AGENCY

Thursday, February 12, 2015

House of Representatives,

Committee on Oversight and Government Reform,

Washington, D.C.

The committee met, pursuant to call, at 10:02 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Mica, Duncan, Jordan, Walberg, Amash, Gosar, DesJarlais, Gowdy, Farenthold, Massie, Meadows, DeSantis, Mulvaney, Buck, Walker, Hice, Russell, Carter, Grothman, Hurd, Palmer, Cummings, Maloney, Norton, Connolly, Kelly, Lawrence, Lieu, DeSaulnier, and Welch.

Chairman Chaffetz. Good morning. The Committee on Oversight and Government Reform will come to order. And without objection, the chair is authorized to declare a recess at any time.

I am pleased to be holding this hearing today with Ranking Member Cummings. Reforming and restoring the United States Secret Service is not a partisan issue. I firmly believe that a united front with Mr. Cummings and I have presented have driven change within the agency. Together, we have sent letters to 10 closed-door meetings and briefings with the Secret Service and asked for change.

Just this morning, in a bipartisan way, we went and visited the Secret Service headquarters. And we appreciate their accommodations and the tour of the facility, the management facility there.

Today, the senior leadership of the Secret Service looks much different than it did when we began examining the agency. In fact, we originally planned to have both the Acting Director and the Deputy Director appear before us today on a second panel. But with the recent announcement of the Deputy Director's departure from the agency, we agreed to postpone the agency's appearance before the committee for another day.

We want to thank Acting Director Clancy and Secretary Jeh

Johnson for being consistently available to us. They have been very accessible, and we are very appreciative of that. We also applaud Secretary Jeh Johnson for assembling a panel, which we will hear from today, to examine the Secret Service. The panel's report did not mince words, did not skirt the issues, and provided serious recommendations.

According to the panel's findings, the Secret Service "is starved for leadership" and lacks a "culture of accountability." The panel recommended the next Secret Service Director appointed by the President come from outside the agency. The panel's report states -- and I happen to agree -- that "at this time in the agency's history, the need for Secret Service experience is outweighed by what the Service needs today, dynamic leadership that can move the Service forward in the new era and drive change in the organization." The report goes on to say, "Only a director from outside the Service, removed from organizational traditions and personal relationships, will be able to do the honest top-to-bottom reassessment," end quote, dealing with what is necessary inside the agency.

Alarmingly, the panel found that no one inside the Secret Service has ever taken time to sit down and figure out exactly what it costs to protect the President. In fact, the panel found, quote, "No one has really looked how much the mission done right actually costs," end quote. This is simply unacceptable. Combined with other limitations, like insufficient training,

antiquated technology, and insular attitude, these factors have all contributed to the recent security breaches. The fact that the panel made these findings is not surprising. But I will tell you personally it is very refreshing to have a panel take such a deep, serious look into the agency and provide some very candid results and perspective. And he did it in a very swift manner. And for that, we are very, very thankful.

Over the past several years, a series of security breaches have raised a number of questions about the effectiveness of the agency. In 2011, a man fired a high-powered rifle at the White House while President Obama's daughter was inside the residence. The Secret Service was unable to confirm that shots had been fired at the White House until a housekeeper found broken glass 4 days later. This shooter eluded capture for 5 days, traveling all the way to Pennsylvania, where he was eventually apprehended by state police.

On September 19 of last year, with a partially amputated foot and a limp, wearing Crocs, a man was able to jump the White House fence. Contrary to initial reports from the Secret Service, this man made it all the way into the green room, armed with a 3-1/2 inch knife that was serrated.

The same month, an armed security contractor was allowed on an elevator with the President, unbeknownst to the Secret Service and in violation of protocol. We still don't know where the breakdown was that enabled this to happen.

Last month, a gunman fired shots near the Vice President's residence in Delaware. Security cameras were unable to capture video of the gunman. To this day, we still don't know who fired those shots. This was very close to active Secret Service agents at the residence.

Just 2 weeks ago, a drone crashed into a tree on the White House lawn, highlighting a security vulnerability that we must shore up immediately. By examining these security breaches, we can find out what went wrong and we can work together to fix it.

Together with Ranking Member Cummings, this committee has and will continue examining issues surrounding leadership, culture, budget, training, technology, and protocol. Congress needs to know why the Secret Service has one of the lowest levels of employee morale in all of Federal Government. We have some of the finest men and women serving in the Secret Service. These are wonderful, caring, patriotic, hardworking, talented people. We love these people. We thank them for their service. But the system, the bureaucracy, the leadership has been failing them, and it has to change. We have to get this right, and we have to get it right now.

The panel made a number of recommendations, but the main priority was clear. The first step to success within the Secret Service is new leadership from outside the agency. I look forward to discussing the panel's good work today and hearing how recommendations were developed. And now I would like to

recognize the ranking member, Mr. Cummings, for his statement.

Mr. Cummings. Thank you very much, Mr. Chairman. I thank you for agreeing to hold today's hearing and for working with us in a bipartisan way. And I also thank you for doing something else, that is, I notice that you have consistently given our Federal employees credit for what they do. Every time I speak before a group of Federal employees, they say that so often they hear just negative things about them. And I know that you have said it in private, and now you are saying it in public about the Secret Service, that we have a phenomenal number of great dedicated Secret Service agents. And I really appreciate that and I know they do, too.

You have sought the input from our side and our participation, and I believe our efforts will be more effective as a result of that. But more significantly, you have shown respect for us. We are holding today's hearings because the independent panel has done a thorough review of the Secret Service, and we want to hear directly from them before taking our next steps.

To the panel, I want to thank you for what you have done. You have done an outstanding job in a short period of time. They met with more than 170 people from inside and outside the Secret Service. They made numerous recommendations. And now the upper managers of the agency have been removed. The chairman and I both strongly agree that the independent panel's work was excellent.

We have also discussed the panel's classified report. We believe it was tough, it was thorough, and crucial to bringing about real change at the agency. Again, we thank all the members of the panel. But I want to make two key points today. First, I completely agree with the panel that the question of leadership is most important. Although the previous Director has left and top managers have been removed, the job is only half done. As the panel concluded, a strong group of new leaders must now be identified. And that responsibility rests with the executive branch.

Second, I also agree with the panel that these changes, and I quote, require strong leadership, but they will also require resources. And that is our job. That is the job of the Congress. Their report makes clear that the Secret Service is stretched too thin; the status quo in long shifts, forced overtime, inadequate training, and too little rest. I would like to read briefly from the report describing this problem. It says this: "The strains are manifest throughout the agency. The Service has been forced to pull firearms instructors from its training academy and uniformed officers guarding foreign missions to work protective details. The attrition has caused alarm. 'It is all smoke and mirrors,' says a plain clothes agent. 'We are like a giant ship teetering on toothpicks, waiting to collapse,' says another. Our protective mission is in crisis." That was from a press report in 2002, more than a decade ago.

Let me read another quote: "While the threat of terrorism looms large over the White House complex, one of the most insidious threats of our national security actually comes from within. With the creation of the Department of Homeland Security and the fallout from the Hurricane Katrina disaster, the Secret Service, overall, has suffered much in terms of budget, or perhaps more appropriately, the lack thereof. We were informed last year that our budget had been cut and that the Secret Service was going to have to make some changes to cut costs and save money." That quote was from 2007. It was from a letter sent internally to the Secret Service leadership by a former uniformed division officer, and we have obtained a copy.

Last week, the Federal Law Enforcement Officers Association wrote the committee saying this, "A lack of resources and funding is the core reason the agency has suffered its newsworthy deficits. Its moments of honesty, even media reports, have restated what is well-known in the Service and was highlighted by the protective mission review panel that the Secret Service has been overstretched and underfunded since the 9/11 attacks and continues to be."

Let me make one last thing clear. I am not saying we should throw money at the problem, that more money is a silver bullet, that inadequate funding is an excuse for failure or any other similar straw-man argument.

I agree with the independent panel that the Secret Service

has atrophied. It needs more funding, and it is our job in Congress to get it to them. The panel recommended as a first step adding 200 officers and 85 agents. And it said many more may be necessary once the new management team assesses the agency needs. We have heard from others inside and outside the Secret Service that they are down by at least 500 positions. The DHS funding bill would start to restore some of this funding. But unfortunately, it is being held up by our Republican friends who oppose the President's actions on immigration.

We have only 2 weeks left before the Department shuts down. If it happens, the Secret Service employees will be required to continue working without pay. This is no way to treat the Secret Service agents, officers. They should not be collateral damage in this political fight. The fact is that Federal workers across the board have been hammered over the past 4 years. They have sacrificed nearly \$140 billion as a result of a 3-year pay freeze and pay cuts in the form of increased retirement contributions for newly hired employees. They have endured sequestration cuts and furloughs and the elimination of jobs for the last 3 years. It is time to recognize that these actions take a toll.

Finally, Mr. Chairman, I would like to take a moment to address our work here on the committee. I completely agree that we must reform this agency. Its mission is just too critical. I have the greatest admiration for the President, and the last thing I want is for something to happen to him or the other people

that the Secret Service is responsible for protecting.

So I commit to working with you to the best of my ability and in good faith. In return, I ask that we focus aggressively on the reforms that are needed, that we avoid spending valuable time reinvestigating issues that others have already investigated, and that we continue working closely together, as we have been, to conduct our investigation in a responsible way that does no harm to the agency or the mission.

And with that I yield back.

Chairman Chaffetz. Thank the gentleman. I will hold the record open for 5 legislative days for any members who would like to submit a written statement.

We will now recognize our panel of witnesses. And, first, let me say thank you so much for your time and dedication and making the effort and carving out time in your schedules to be here. We do appreciate that.

The Honorable -- today, we have the Honorable Mark Filip, the Honorable Danielle Gray, the Honorable Joseph W. Hagin, and the Honorable Thomas Perrelli. We do appreciate you being here. Pursuant to committee rules, all witnesses will be sworn before they testify. So if you please rise and raise your right hands.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

Thank you. Let the record reflect that all witnesses

answered in the affirmative. And you may be seated.

My understanding is you are going to give one joint statement as opposed to four individual statements. I am not sure which -- you are going to give -- Mr. Perrelli. Okay. Thank you. You are now recognized.

STATEMENTS OF HON. THOMAS J. PERRELLI, U.S. SECRET SERVICE PROTECTIVE MISSION PANEL; HON. MARK FILIP, U.S. SECRET SERVICE PROTECTIVE MISSION PANEL; HON. DANIELLE C. GRAY, U.S. SECRET SERVICE PROTECTIVE MISSION PANEL; AND THE HONORABLE JOSEPH W. HAGIN, U.S. SECRET SERVICE PROTECTIVE MISSION PANEL

STATEMENT OF HON. THOMAS PERRELLI

Mr. Perrelli. Thank you, Mr. Chairman, Ranking Member Cummings, and members of the committee. I am Tom Perrelli, one of the members of the Secret Service Protective Mission Panel. And the panel asked me to make brief opening remarks today.

At the outset, we want to express, echoing both the chairman and the ranking member, our appreciation for the extraordinary work and dedication of the men and women of the Secret Service. They work long hours in a mission that has no tolerance for error, and they do so without desire for fame or fortune. They deserve all of our thanks and support.

The Secretary of the Department of Homeland Security asked the panel to do a review of the Secret Service's protection of the White House following the events of September 19th, 2014. We did not focus solely on that event, but looked more broadly at concerns about the Service that had been raised by this committee and others.

From October, when we were commissioned, to the issuance of our report on December 15th, the panel talked to dozens of members of the Service from all levels, as well as more than a hundred experts from the Federal Protective Services, local law enforcement, the national laboratories, and the defense and intelligence communities. We thought it was important to hear perspectives about the Service, about the protective function, about technology from both insides and outside the Service. We also reviewed thousands of pages of documents.

Our report and recommendations were completed on December 15th. The report contains substantial sensitive information, as well as classified information and recommendations. We have had the opportunity to brief the chairman and the ranking member and many staff of this and other committees in a classified setting, and we will tread carefully on subjects related to operations, tactics, and particular threats in this setting. It is in the interest of the United States that much of the Service's work be secret because they are tasked with the singularly important job of protecting the Commander in Chief, other protectees in the White House.

But we did release an unclassified summary that lays out our conclusions and recommendations in a number of areas, including training, staffing, technology, and leadership. That summary is incorporated in our written testimony to this committee. As we described in that executive summary, the panel

concluded that training had fallen below acceptable levels in no small part because personnel at the Service were stretched too far. We provide recommendations about increased training as well as increased staffing. We describe our recommendation for 200 additional uniformed division officers and 85 additional special agents as a downpayment that we make now so that the Service can train and perform at the level that all of us believe is necessary.

Many of our technology recommendations are classified, but I note our concern that the Service needs to be more engaged with Federal partners who are using or developing technologies that would assist the Service in protecting the White House.

Finally, we focused a great deal of attention, as the chairman said, on leadership. Concluding that the Service needs dynamic leadership that is unafraid to make change, that clearly articulates the Service's mission, pursues resources needed to fulfill that mission, and demonstrates to the workforce that rules will be applied evenhandedly, and that the best of the best will be promoted to lead the organization into the future. More detail in our conclusions and recommendations are in our testimony, and we will be happy to answer questions. Thank you, Mr. Chairman.

Chairman Chaffetz. Thank you. And I again appreciate all four of you.

[The Executive Summary follows:]

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Chairman Chaffetz. I now recognize myself for 5 minutes. The report says, "More resources would help but what we really need is leadership." In fact, you went on to say, "Only a Director from outside, removed from the organizational traditions and personal relationships will be able to do the honest, top-to-bottom reassessment this will require." Maybe -- I don't know who to address this to. But, yes, Mr. Filip.

Mr. Filip. Yes. Thank you. We gave a lot of attention to leadership and in that we believe that will be a critical issue going forward. We fully respect that the choice of the Secret Service Director is that of the President, and there is a unique relationship there in that maybe uniquely amongst appointments in the Federal system, that individual is responsible for the personal safety of the President and the First Family. So we respect our role in that regard. But we did and do think that, all things equal, it would be useful to have outside perspectives. The reasons for that, I think, are even more important than the conclusion, because they animate a lot of our views on a number of things.

We think it is essential for reform that there be a full look at the activities of the Secret Service through the lens of the core priority of protecting the President and the White House, and that the activities and budgeting align with those core activities. We think that the innovation associated with the Secret Service's activities also be aligned with those core

priorities. And that the new Director, whoever that is, is prepared to make tough choices about personnel, independent of any sort of old-boy's network or friendships or alignments. And that was part of the reason we thought, all things equal, it was easier for an outsider to make those assessments as opposed to someone who is presently with the Service.

And we also think it is important that there be engagement with the broader intelligence community and a consistent set of disciplinary rules, independent of prior friendships or allegiances or experiences. And finally, also, an infusion of outside expertise in budgetary areas, for example, human resources, congressional affairs, things of that sort. So we thought it was more likely that that person would be an outsider, but obviously we respect that it is the President's choice. And to the extent we can be a resource, whoever the next Director is, we would proudly be available to try to help them.

Chairman Chaffetz. Thank you. One of the questions that tends to float around here is whether or not we should separate out the investigation side. Did you look at that and what sort of assessment did you give that?

Mr. Filip. We did. And our views on that are that there is certainly some benefits to be gained from the investigative mission to some extent. Now, there is a continuum in those investigative activities. To the extent, for example, that cyber investigations involve the safety of the First Family, of the

President, that is probably going to be part of the core mission of the Secret Service. To the extent that cyber involves looking at whether a movie studio has been hacked, or a health insurance company, or a multinational leak, you know, retail-type entity, that might be further afield, and other parts of the Federal Government that are involved in cyber activities might be better positioned to handle the lead on that, again, all through the core prism of what the main mission of the Secret Service is.

So, you know, we had a couple months to look at this. We don't purport to have the final answers. But we think the guideposts on this will be what is the core mission of the Secret Service, and does this particular activity, whatever it is, further that mission or distract from it?

Chairman Chaffetz. Okay. One last thing I want to -- and I know other members want to ask about this. If you put up the slide, please, on the training. You know, one of the things that we are deeply concerned about, these are the training numbers that we see here. And if you look at from 2008 through 2013, we were doing roughly special agent basic classes, eight per year, eight -- eight, eight, eight. Then we go down to five. Then we go down to zero. Then we go to one. Why -- why did that happen? How do we prevent that from happening? What is your assessment of that?

Ms. Gray. Sure. I am happy --

Chairman Chaffetz. That is great. Move that microphone.

There we go.

Ms. Gray. Sure. You know, training was -- our analysis really began with training. You know, as Mr. Perrelli indicated, we viewed this as sort of key in animating many of the other decisions that the Secret Service has to think about, from staffing to management of overtime and the like. And as your chart is consistent with what we found in our findings, that training has fallen below acceptable levels.

There have been a number of reasons that were against us in the course of our review to explain why that is so, from the increased activities of the Secret Service and missions, the number of protective visits that Secret Service members are staffing and the like, reductions in staffing and the forced overtime issues. Regardless of those different causes, I think we all are in agreement that the levels are unacceptably low. The number in our report that we emphasized, looking at fiscal year '13 data, the average agent trained about 46 hours in fiscal year '13. The average uniformed division officer trained about 25 minutes on average. And by any --

Chairman Chaffetz. For the year?

Ms. Gray. For the year. And so, by any account, those numbers are unacceptably low and we need to do better.

Chairman Chaffetz. Did you compare that against large police forces or other --

Ms. Gray. Yeah. You know, we spoke to a number of large

metropolitan police forces, and we also spoke to other Federal agencies that conduct protective missions that are akin to what the Secret Service is doing. Nothing is an exact apples-to-apples comparison. But the training levels that we heard for those agencies ranged anywhere from 5 percent a year to 25 percent a year of time spent doing training. And that type of training is managed in different ways. You know, some police forces or protective security agencies conduct sort of focused training at set times of years. Others integrate it more naturally month to month. But however it is done, the sort of levels that we heard from others range between 5 percent to 25 percent, which are obviously significantly higher.

Chairman Chaffetz. Well, thank you.

Now I recognize the ranking member, Mr. Cummings.

Mr. Cummings. Thank you very much, Mr. Chairman.

Mr. Perrelli, I want to go back to something that you said. And you said that the Secret Service needs an additional 85 agents and 200 officers. And then you said something that I want you to explain. You said as a downpayment. What does that mean?

Mr. Perrelli. We looked at the data provided by the Secret Service and tried to assess, with the current workforce, based on what we can discern, what would it take to -- how many additional personnel would they need to get to the training levels that we think are the bare necessity, which, as we indicated in the report, is a true fourth shift or 20 to 25 percent of training

for the President's protective detail, and at least 10 percent of their time training for the uniform division.

Based on our -- the information that we were able to obtain from the Service, that led to our recommendation for immediately the need for 200 additional uniformed division officers and 85 additional special agents. But I think there are a couple of things that cause the panel to believe that, once a full analysis is done by a new Director, more resources are going to be needed. One is, I think as the chairman said, there really hasn't been a true analysis of how much it takes to protect the President and other protectees in the White House. The Service's internal systems are not well-designed to do this.

Mr. Hagin and I sat with a Secret Service agent and watched them put in their time in a DOS-based system with a green blinking cursor. And those systems don't reflect the actual hours that people worked. So that once you factor in the excessive amounts of overtime that we think the agents both anecdotally told us and that we saw ourselves, once you bring -- try to bring some of those overtime numbers down, we think that you will discover that more resources are needed.

As we said in our report, we think that a new Director -- a critical function of a new Director is to have a zero-based budget, start from the beginning and define the mission and explain to Congress and the Executive Branch how much it takes to do this. We think it is going to be more money. We think it is going to

be more agents and more uniform divisions, but we also think that a new Director might decide to shed or trim certain missions so that it is not all new money.

Mr. Cummings. Well, if we are able to pass the DHS budget, we will be able to hire the 85 agents and the 200 officers.

But let me ask you with regard to going back to training. There is a lot of talk about the fourth shift. And, you know, I want to go back to what the chairman was asking about. You are saying they are getting 25 minutes -- I hope the committee hears this -- 25 minutes a year. Is that what you said?

Ms. Gray. That is for the uniformed division.

Mr. Cummings. Twenty-five minutes of training?

Ms. Gray. Right.

Mr. Cummings. And what would be acceptable?

Ms. Gray. Sir, we sort of thought about this in two ways. So for the PPD, the Presidential Protective Division, that is where the fourth shift concept originated. And so historically, particularly in the 1980s and 1990s, and it is our understanding from speaking to past Directors and past special agents, that the fourth shift concept was a very real concept in the Service. And the idea was agents would spend, you know, 2 weeks on a daytime shift, 2 weeks on a nighttime shift, 2 weeks on a midnight shift, and then 2 weeks in training. Now, that is not to say sort of all 14 of those days in that 2 weeks were spent training, obviously. The agent's time was managed in a way to provide surge

capacity if they needed to support unexpected trips or missions. But that this concept of striving for roughly spending about 25 percent of the year in training for the agents in the PPD was very different.

That fourth shift has never really been applicable to the uniform division, and it has been difficult to get sort of reliable historical data on this. So we don't actually have a very good benchmark for the uniform division. But I think what we do know is that this sort of average that you saw in fiscal year '13 that we refer to the 25 minutes is unacceptably low.

Mr. Cummings. One of the things that has concerned I am sure the chairman, and definitely it has concerned me -- and I am wondering how you got into this and what your conclusions may have been. We have agents who felt more comfortable coming to the Congress and telling us about their concerns than telling the higher ups at the Secret Service. And I have said it many times. I think for this kind of organization, that is not good. And so, I mean, what do you all see as the -- did you find that to be the case? I mean, well, what conclusions did you come to? And how do you remedy that?

Mr. Filip. I think that goes, sir, to the culture and leadership attitudes of the organization going forward. Any robust organization has to be honest with itself and open to the fact that if we are going to be a continually improving organization, we have to accept and objectively evaluate

criticisms about how things are operating. And so I think you have put your finger on something critically important. I think we all do. And that is something that the agency and its new leadership is going to have to get much better at, because no organization is perfect. It is not a weakness to accept the idea that there is problems. Face them honestly and objectively and work forward to improve. So you are right, that is something important for the new era of the Service and for the new Director.

Mr. Cummings. Thank you, Mr. Chairman.

Chairman Chaffetz. Thank you. Now I recognize the gentleman from Tennessee, Mr. Duncan, for 5 minutes.

Mr. Duncan. Well, thank you, Mr. Chairman. And you are sure getting off to a great start chairing this committee and calling all these hearings.

Let me, first of all, say that I appreciate this panel and how they have come in from the outside to take a look at this. But I do have to tell you that -- sort of no criticism of each of you -- but I am very skeptical about some of this, and I will tell you why. I have been here 26 years. I have served on four different committees. I have read reports from all the committees. Every time some Federal agency messes up, the first thing they say, they say they are underfunded; and the second thing they say is their technology is out of date. And they have got more money than any company in the private sector and more expensive technology than any company in the private sector. Yet

they always come up with those same excuses.

In that time that I have been in Congress, when I first came here, the national debt was less than \$3 trillion. Now, it is \$18 trillion. The Federal budget was not anywhere close to what it is now. All of the Federal agencies -- all of the Federal departments and agencies, if you looked at the last 2 or 3 or 4 years, we have been doing a better job holding funding reasonably at a level rate. But if you looked over the last 20 or 25 years, Federal spending has gone way up, and all the Federal law enforcement agencies have greatly expanded over that time, and their budgets have gone way up. I don't have the figures here. I came here a little unprepared for this hearing because I didn't know until late yesterday that we were going to have this hearing. And that is my fault. But I had the figures a few years ago that the F -- 5 or 6 years ago, the FBI had tripled in size over the years that I have been here in numbers of personnel and in their budgets. And I just am very skeptical that the Secret Service doesn't have enough funding.

And then, secondly, I remember when I first came here that I had a hearing on the Aviation Subcommittee, and one of the main things was they talked about the low morale of air traffic controllers. And that is another thing I have heard a lot of times from Federal employees about their low morale. Well, I can tell you it seems to me the less people have to do on their job, the more they complain. I almost have never gotten a complaint from

a short-order cook at a Waffle House.

I can tell you that if these Secret Service people who have low morale, if they don't realize how lucky they are to have these jobs -- and I have got nothing against anybody in the Secret Service. I am sure they are all nice people and all fine people. But they need to realize they are very lucky to have their jobs.

When I first ran for Congress, I had a -- they had an ad signed by every member -- there was 3 or 400 members of the Knoxville Police Department. Every one except seven signed an ad endorsing me. I was a criminal court judge. I was considered very pro law enforcement. But I will tell you that our Federal law enforcement people are our highest paid law enforcement people in this country. Next are State. And our lowest paid people are the local law enforcement people who are out there fighting the real crime, the daily -- the day-to-day that everybody wants to fight. But I will tell you that when I hear about low morale in the Secret Service, I think they ought to be ashamed, anybody who feels that way, because they are very lucky to have their job and the high pay that they get.

Thank you very much, Mr. Chairman.

Chairman Chaffetz. The gentlemen yields back.

I now recognize the gentlewoman from the District of Columbia, Ms. Norton.

Ms. Norton. Thank you, Mr. Chairman. I think we are very fortunate to have the Secret Service take the risks they take.

And when it comes to their pay, these are the people who have suffered sequester and have not received increases in pay. So we value them very highly, and we value your report, which is very thoughtful. I have been concerned, by the way, with the really quite shocking underfunding of the Secret Service, something I think that would shock the American people, because they always assumed that the protection for the American people was a first priority because it is a symbol of the United States itself.

I was concerned about the physical barriers because that is the most obvious and commonsense way to approach this problem. And I have distributed to the members and to you a copy of a picture that was taken outside right after -- right after the most notorious of the fence jumping incidents. And I am asking this question because you indicate that there are some physical barriers that have been added. Are you talking about these barriers that are normally used simply for crowd control, or are we talking about actual structural physical barriers?

Mr. Hagin. That we recommend adding?

Ms. Norton. You say that the -- we understand that there have been some physical barriers that have been added. I am asking you if there have been any physical barriers added since the incident, since our hearing in September and since the fence jumping that was the basis for that hearing?

Mr. Hagin. The bike rack that is shown in the photo you

distributed is new since the fence jumping incident.

Ms. Norton. Well, you know, if that is --

Mr. Hagin. The Gonzalez incident.

Ms. Norton. I mean, you know -- by the way, I consider this quite outrageous. If that is -- what this says to the public is -- and this is a First Amendment space. Lafayette Park is right there across from the White House because the Framers intended the White House to be a place where people could go. This is hardly a barrier. And, in fact, it is very ugly. And there are two pictures here that show what are really quite temporary -- they are not really barriers. They are not used as barriers. They are not meant as barriers. They are meant to be movable because they are crowd control. And is that all that has happened since the fence jumping?

Mr. Hagin. We have not investigated just recently what, if anything, the --

Ms. Norton. So as far as you know, that is all that has happened.

Mr. Hagin. We are -- no. We have clearly recommended that a permanent solution be designed and adopted as quickly as possible.

Ms. Norton. And yet I appreciate that you have recommended that. The fence -- that the fence itself, consistent with its historic basis, be raised. Have you put any timeframe on it? Of all the things that it seems to me could have happened by this

time, it does seem to me, at least the plans for that, could have been -- could have been made.

Chairman Chaffetz. Will the gentlewoman yield? I will tell you that you can receive a classified briefing about that. Mr. Cummings and I participated in a meeting where the details, the timing was laid out. And I would -- if any member would like to have that briefing, I would be happy to arrange another one. But that was not something this panel looked at, other than making a general recommendation. But to get a Secret Service briefing on what they are doing, A, was pretty impressive and, B, is certainly in the works.

Ms. Norton. Well, I appreciate that, Mr. Chairman. Although I must say, I don't consider it very highly classified for the terrorists and other fence jumpers to know that there is going to be a fence that is going to be raised. I don't consider that very classified information.

I want to say that I am -- given your report, which I think was timely, I am disappointed that we have no information. And I will seek that information in the way the chairman suggests.

The only disappointment I really had in your report was that there was no mention that I recall of the public space and of the tradition that this has been a public space and the barriers and the security for the President can be improved without, for example, a magnetometer in the street. That would mean that even though you are outdoors, you have to go through this magnetometer

before you can get to where the public still can get, by the way. And I wonder why you did not consider the access of this space to the public, considering that it is one of the great First Amendment spaces in the Nation's Capital. It is not just a tourist site. There are people there every day on every issue trying to express their point of view.

Mr. Perrelli. Thank you for the question. And I do -- I do think it was of serious consideration to the panel about the historic nature of both the White House as well as the spaces around the White House. I think perhaps what is most telling is the absence of recommendations from this panel to do things like close off the park or those kinds of things that one could consider as appropriate security measures, but they would be inconsistent with the history of those spaces. So perhaps I think we answer your question by not having recommendations that would have gone the other way.

Ms. Norton. Well, I so thank you for that, Mr. Perrelli, because that is what I am going to cite. I am going to say that the panel said that by not recommending that the public be excluded, it meant to say that the public should have access to that space as it has always had.

Chairman Chaffetz. Thank the gentlewoman. I now recognize the gentleman from Arizona, Mr. Gosar, for 5 minutes.

Mr. Gosar. Thank you, Mr. Chairman. And thank you, panel, for the report.

I want to quote a couple of snippets here -- four snippets and kind of make a summary and then ask some questions for that, if that is okay.

The first one: "The Secret Service is stretched too, and in many cases, beyond its limits. Special agents and uniform division personnel protecting the White House work an unsustainable number of hours."

Second snippet: "Rather than invest in systems to manage the organization more effectively and accurately predict its need, the Service simply adds more overtime for existing personnel."

Third snippet: It goes on to say that, "The Secret Service needs more agents and officers, even beyond the levels required to allow for in-service training. The President and other protectees cannot receive the best possible protection when agents and officers are deployed for longer and longer hours or fewer and fewer days off."

Number four: "The Service has to increase the number of agents and, to an even greater extent, increase the size of the uniform division to ensure protection of the White House."

Now, I understand uniform division officers told the panel that they do not know whether they are working one day to the next or if they are even required to work overtime. The staffing failures within the uniform division are so bad that the special agents are flown in from field offices around the country to detail

them for week-long shifts to the White House, supplementing the uniform division due to the dramatic losses in staffing it has seen. These are agents -- result in special agents who are unfamiliar with the White House complex being in charge or defending it.

So my question is: Given that your report found that the special agents and uniform division officers work an unsustainable and unpredictable number of hours, what must the Service do better to manage that workload?

Mr. Perrelli. I think there are a couple of things, Congressman. One is, as we talked about, the Service really hasn't had the kind of workforce planning model to make sensible personnel decisions about how many people are needed and control the number of hours that people are working. As I think the chart that the chairman put up earlier showed, you have -- you know, rather than continuing to hire people and having more officers and more agents, what ended up happening was you just had the existing workforce working longer and longer hours.

So I think we have recommended, one, a more robust workforce planning model so that they can, I think, make good judgments about what is needed and how to deploy those resources. As we indicated, we do think they need more personnel, if nothing else, to ensure that the personnel that they have get adequate training. So I think those are, I think, core aspects of this. But as -- you know, one of our larger recommendations is that I think the new

leadership needs to take a step back and really define and then come to the executive branch and Congress with a clear plan that articulates this is what it takes to protect the White House and this is why we need the personnel that we think we need.

Mr. Gosar. And I know you can't go into certain technology. Being a business man, I mean, technology, I mean we can track patients going through a system, knowing exactly where they are every time, every point of the day. Is that something being entertained in regards to a workforce for the Secret Service?

Mr. Perrelli. I think on the technology question, as I think the events of the September 19th indicated, there are real shortcomings, both on training and communications technology with respect to the Service's current equipment as well as their training on that equipment. That is something I think we think needs to be addressed. And all those things needs to be integrated together. Because I think you are right, Congressman, that you need to know where your personnel are if you are going to be able to respond to an incident.

Mr. Gosar. And when you look at overall, you know, your evaluation, when you don't have systems to even evaluate, how hard was it even to come up with some of those recommendations? I mean you have to look back and look at your past to be able to go forward.

Mr. Perrelli. I think we wanted to be able to provide more specific recommendations in certain areas. But as I think we laid

out in the report, because the data we were working from on the special agent side, it is clear that they do not record all the hours that they work. They are working many more hours than show up in their personnel system. And on the uniform division side, the data really doesn't come from the Service's own systems, but comes from Federal pay records about overtime, which isn't necessarily -- may not be the most precise way to do the kind of planning that is needed.

Mr. Gosar. I am going to end it with one last question. So we have a Commander in Chief, the head of all our military and stuff. It should be the highest honor to serve in that capacity to protect the President. So why wouldn't the requirements be the same for that detail for Secret Service as like, say, the Navy SEALs or the Rangers? I mean, it should be that protective an aspect, does it not? And the chart that went up there is disgraceful when we see that type of application not being the same type of application. Do you agree?

Mr. Perrelli. I think the panel agrees that we need the best of the best in this role. And that has been historically the culture and the belief of the Service. And I think we hope our recommendations will help them return to that point.

Mr. Gosar. I yield back. Thank you, Mr. Chairman.

Chairman Chaffetz. Thank you.

We will now recognize the gentlewoman from New Jersey, Mrs. Watson Coleman.

Mrs. Watson Coleman. Thank you, Mr. Chairman. Good morning to you. And thank you so very much for the work that you have done. I did take the opportunity to read the briefing that I had last night, and it was quite extensive and a little bit scary.

For the record, I just want to ask a question. Is this a part of the fence that was compromised? For the life of me, I can't see how you scale a fence that is skinny like this and this long. Will you --

Mr. Hagin. It is the fence in the background of the photo.

Mrs. Watson Coleman. Okay.

Mr. Hagin. It is not the fence in the foreground.

Mrs. Watson Coleman. I know it is not -- I know it is not this. They actually were able to scale this?

Mr. Hagin. They were able to scale the fence that is in the background of the photo. The bike rack -- what they call bike rack --

Mrs. Watson Coleman. Yes.

Mr. Hagin. -- in the foreground was not there at that time.

Mrs. Watson Coleman. It just seems to me -- it is interesting that they could even scale that. Are any of your recommendations proposing additional surveillance over these areas that could possibly be points of access to the White House?

Mr. Hagin. We feel that they should continue to modernize technology.

Mrs. Watson Coleman. Interoperability of communications?

Mr. Hagin. Interoperability. Across the board, the systems need to be continually improved. I am being careful here because -- without going into sensitive areas. But we believe that technology plays an integral part in this multilayer defense of the facility, and that it must be continually upgraded and receive a lot of additional focus.

Mrs. Watson Coleman. This is something that I heard in the 5 weeks that I have been here in some briefings, that the personnel that were on staff at the time of the fence jumping incident were -- and I don't know what time of the night that was. Can you tell me the time of night --

Mr. Perrelli. Early evening.

Mrs. Watson Coleman. -- or day? Early evening?

Mr. Perrelli. Yeah.

Mrs. Watson Coleman. Was that -- was the staff that was predominantly low seniority? Is there something to a staffing pattern that your seniority gives you a better staff shift? And is there an assurance that then or now that there are people who have more seniority and experience are there all the time?

Mr. Perrelli. As I think many on the committee know, there was a prior report that focused on September 19th done by the Deputy Secretary of DHS, which focused on the very specific issues of that night and did find that the personnel on staff tended to be junior that evening. And I think this goes back again to

this staffing and planning issues as well as the forced overtime issues that -- you know, ensuring that the personnel, you have the right chain of command, you have the right mix of seniority and junior personnel, as well as the right training so that people understand and know the compound is something that, if the Service implements some new -- some reforms and some new systems, they will be able to ensure in the future and not have that problem on any given night.

Mrs. Watson Coleman. If you looked at their organizational staffing requests right now, would they be where they say they need to be? Because you are asking for 85 and 200. So is that -- does that recognize that their staffing is not complete right now? Or is that in addition -- did they have it and that is in addition to what they have?

Mr. Perrelli. So, yeah, we were heartened to see that there were additional sums sought in the President's budget, and we are very supportive of getting the Service to the 85 and 200. I think others may be able to do the calculation as to whether the precise amounts sought are -- match up with that. But it is our understanding that, you know, that some of the additional request is intended to try to reach those levels.

Mrs. Watson Coleman. On the incident on the elevator, was there an explanation how someone of that nature got on the elevator with the President?

Mr. Perrelli. So our panel did not look at the elevator

incident. It wasn't part of our mandate.

Mrs. Watson Coleman. Okay. I am very supportive and very respectful of the Secret Service. And really, when I think of the Secret Service, I think of it being, you know, without parallel, the protection for the President and other people that is uncompromised and incomparable. So these number of incidences that have come up have been tremendously disappointing to me. And I just want to go on record as saying I don't think that we are talking about wasteful spending, and I don't think we are talking about asking for something that we don't need. And if we are going to look to where we are going to save money, we need to make sure that we are applying that to areas that don't have the kind of sensitivity.

Protecting the President of the United States and those like him, that is the most important thing that we need to be doing as it relates to our Secret Service. And I, for one, support the Homeland Security and its need for a clean funding bill and for the Secret Service to have new leadership and all the things that you have identified that it needs. And I thank you for your report and your work.

And I thank you, Mr. Chairman, for the opportunity to speak.

Chairman Chaffetz. Thank you. I do appreciate it.

Will now recognize the gentleman from Tennessee, Mr. DesJarlais, for 5 minutes.

Mr. DesJarlais. Thank you, Mr. Chairman.

Just a follow-up on a question that Mr. Walberg had asked. And whoever wants to take this question, feel free. How many new hire training classes do the Secret Service have funding for each year?

Mr. Perrelli. In general, they have tried to do eight classes per year. Funding has been different over different years, but eight classes per year has been more consistently the norm. And I think that showed in the early years of the chairman's chart.

Mr. DesJarlais. Okay. And is that what you did in the previous year? You did eight?

Mr. Perrelli. I have to go back and look. I think that in '09, '10, '11, I think they were -- here is the chart. So you see special agent classes and then uniformed division classes. Eight was the norm for the special agents. And then for the uniformed division, you know, the numbers range a bit, although something between 10 and 11 would be more the norm.

Mr. DesJarlais. Okay. Thank you.

Your review found that in 2013, the Service changed its hiring process, and this resulted in more applicants but a less effective process at identifying strong candidates. In fact, more than half the applicants failed the routine polygraph that occurs during screening. Do you know who was responsible for this decision?

Mr. Perrelli. We didn't identify a specific individual. I

think our focus was -- our concern was on that, that that process took a very long amount of time, only to have many of the candidates drop out. So it took a lot of resources and did not yield enough qualified candidates at the end. It has -- that experience, as well as a number of other things that we found, are one reason why we think the Service needs to really professionalize its human resources function and develop hiring and retention strategies led by experts in that field.

Mr. DesJarlais. Okay. Any other downfalls at all that you didn't identify? Okay. What does the Secret Service plan to do to fix the hiring process to better identify potential candidates?

Mr. Perrelli. So the Service has -- is changing -- has already changed its hiring process, and is using more, it is our understanding, accepted service authority, and has reordered aspects of its process so that it is less likely to spend a lot of time on candidates that are going to fall out of the process. But, again, we think that over the long haul, having human resources professionals in charge of that process is going to be more likely to get good outcomes.

Mr. DesJarlais. Okay. You note that many of the recommendations in your report are not new. These recommendations go back to the 1964 Warren Commission, some are identified to the 1995 White House security review, and others track internal recommendations. What were those recommendations?

Mr. Perrelli. Well, I think there have been many recommendations, certainly, over the years. But there are a number of things that we found in our report that, I think, have been seen over time. Certainly, questions about investment in the uniform division and the importance of giving focus to the uniform division and deciding its role. Those issues have been there. Certainly, issues related to excess overtime have been -- and insufficient personnel have been identified over time. There are a number of issues that we raise in the classified aspect of our report that are ones that have been noted in the past by the Service.

Mr. DesJarlais. Why do you think that a lot of those recommendations were ignored?

Mr. Perrelli. I think that the Service itself has noted that it has not always done what it needed to do in terms of follow-through of its own recommendations. And I think -- our hope is that, coming out of this report, that there will be a real opportunity to focus on these specific recommendations and real follow-through in tracking to make sure that they actually get implemented.

Mr. DesJarlais. So how will future Secret Service leaders be held accountable for implementing your recommendations?

Mr. Perrelli. Well, I certainly think that if there is a real process to -- you know, and I am sure this committee will have a role in it and other committees will have a role in it,

too, to ask the Service what has it done to implement the recommendations and where is that going? And I also assume that this and future Presidents will hold them accountable as well.

Mr. DesJarlais. Okay. And then the last question. Then how do you define that success or how should success be defined if you have implemented these recommendations properly?

Mr. Perrelli. I think from our perspective, if we see the kind of cultural change and leadership change that we have talked about that really defines the mission, we talked a little bit in the report saying that if in 5 years the budget that the Service submits to Congress looks kind of more of the same or about the same with a little bit of extra money on it, that we will not have moved the ball forward.

Mr. DesJarlais. Thank you so much for your answers. I yield back.

RPTR MAAR

EDTR ROSEN

[11:00 a.m.]

Mr. Filip. One thing to add to your last question, there never will be a point in time where the Secret Service can declare success. Every day they have to get better. It has to be a continual improvement organization. And people have to have that in their DNA. So those benchmarks are signals that people can look to to say that improvement has been real. But there will never be a point in time, given the nature of the mission and I don't think that good leadership would ever think that there is, where people can say we have won, let's take a break, we can 2 weeks off. It is going to have to be a continual improvement organization, just like any successful football team or engineering team or military organization. That is what is going to take.

Mr. DesJarlais. Thank you. I appreciate it.

Chairman Chaffetz. Now recognize the gentlewoman from Michigan, Ms. Lawrence, for 5 minutes.

Mrs. Lawrence. Thank you. After today's hearing, my desire is that there will no longer be any legitimate doubt that the Secret Service needs more resources critical to the mission that you perform. And I join with the ranking chair and the chairman of recognizing how important you are and the service that you give. But we clearly know that there is areas of concern.

And I feel strongly that the option of continuing the way we have in the past does not exist. And it will not be something that will be tolerated.

I wanted to give you a quote that I would like to be addressed. The ranking member of the Committee on Homeland Security, Congressman Thompson, and I quote, he stated "Within the next 5 years, the Secret Service will provide protection through two presidential election cycles, two Democratic national conventions, two Republican national conventions, the 75th anniversary of the United Nations, and other National Security special events." To his point, on top of your current responsibilities of protecting the President and protecting your area of responsibility, and we know that there is some problems with leadership resources, we are also entering a period where there is going to be additional demand. My background is in HR. And I know that when you start hiring and training, there is a gap in your resources. So we have to be realistic about that. For us to get where we need to be, we are going to have to pull resources that we already have. Do you agree with that?

Mr. Perrelli. I think that is right. One of the concerns that the panel had -- and again, pointing to the charts that the chairman put up -- when you don't bring on new classes, that is going to show up. Because the average Secret Service Agent takes 4 to 5 to 6 years in the field getting trained before they show up on the President's detail. That gap in hiring is going to be

show up and be most acute in that 4 to 5 years down the road. So you are right that an issue with hiring that shows up today may not have an immediate effect --

Mrs. Lawrence. Exactly.

Mr. Perrelli. -- but will show up in the future.

Mrs. Lawrence. In our planning in discussing what the expectations are of improvement, getting additional resources, I see with the additional responsibilities coming up that training gap, there is a concern, an additional concern; do you agree with that concern? What is the plan to address that concern if you agree?

Mr. Perrelli. We do agree with that concern. And I think that is why our proposal of, again, 200 additional Uniformed Officers and 85 additional special agents, we thought that that would allow the current workforce to reach training levels that we thought were acceptable. It doesn't answer the question of what is the long-term right size of the organization. And, of course, there are, as occurs regularly on 4-year cycles, the Service both draws from its investigative force for presidential campaigns, but also usually receives, seeks and receives additional appropriations every 4 years in order to plan for those campaigns because the amount of travel which is very unpredictable increases.

Mrs. Lawrence. So I want to be clear that our ask that we saw in the report will enable us to have an expectation that you

will have the resources to address all of these concerns. Because if this report or your ask for resources only takes you up to a point to cover the existing concerns, then my concern is that we are going to see additional gaps. And that is my concern right now. And I wanted to be clear that in the proposal, that we don't come back later and say we still don't have the resources to do the job, knowing that all these additional things and the gap is going to be added.

Mr. Perrelli. As an answer to that question, the proposal we made in terms of specific numbers was what we thought would address an immediate need. It was not intended to estimate how much the 2016 political campaign would cost or the 2020 political campaign would cost. Nor was it an attempt to set the sort of long-term size of the Service. As we said in the report, we think that a new Director needs to do a zero-based budget, needs to start from the beginning and define that, and then come again to the executive branch and to Congress and justify that. But we do think that immediate infusion of resources is needed today, recognizing, as we said before, that it is going to take some period of time for those people to be able to be deployed at the White House.

Chairman Chaffetz. Thank the gentlewoman. Now recognize the gentleman from North Carolina, Mr. Meadows, for 5 minutes.

Mr. Meadows. Thank you, Mr. Chairman. Thank each of you for your work, for your recommendations. Ms. Gray, I want to come

to you first. I have received a number of phone calls from agents, male, female, all over the country. They have actually gotten ahold of a Member of Congress, talked to me. Any time I get a blocked number, I know it is them. My concern is is that it sounds like there is a culture of fear within the rank and file. Would you agree with that assessment having talked to so many people?

Ms. Gray. I think one of the things that we heard from a number of agents was a sense of disappointment in some of their leadership. And I think this goes back to the question that was asked earlier by Congressman Cummings about people finding different outlets, finding a Member of Congress or going to the media and other things. And so that is something that, you know, we hope the recommendations that we made in our report that get to a leadership that respects input from the rank and file, that provides opportunities for agents and officers to suggest changes within the organization, that gets to why we think that is very important.

Mr. Meadows. Let me follow up on that. So if we have a culture of fear within the Service, and I am quoting from your report, it says they do not have the confidence that discipline is imposed in a fair and consistent manner, that they feel like that some people get off easier or some people get punished. Would you agree with that assessment, Ms. Gray?

Ms. Gray. We heard a number of agents and officers express disappointment in the transparency around the disciplinary

process. And I think over time, the Service has experimented with different models, from having more direct supervisors imposing discipline, to having discipline imposed more from central command of the Secret Service. And I think there has been, and we heard a lot of it, a sense of disappointment in the transparency around these processes which leads to some concluding that discipline is not taken seriously.

Mr. Meadows. So if we have those two issues -- and there is essentially another quote from your report, a good-old-boy network in terms of the management. Would you agree with that assessment, that that is the feeling within the Service?

Ms. Gray. We heard a lot of comments. I don't want to --

Mr. Meadows. Would that be accurate -- I am taking it from your report.

Ms. Gray. Yes.

Mr. Meadows. So if there is a good-old-boy spirit of fear within management, and we are talking about resources, I think both Democrats and Republicans are committed to providing the resources to make sure that this agency has what it needs. But my concern is the budget last time, under the Director that is no longer with the Service, actually asked for less money, asked to reduce the level of experience by an average of 5 years, actually went even further to say that they were going to reduce full-time equivalent people. And part of the people that made up that budget request got a promotion in January of this year.

Do you find that that would create a real problem from a morale standpoint?

Ms. Gray. Absolutely from a morale standpoint.

Mr. Meadows. So there were seven people that got a promotion in January. What did the rank and file say about that, senior-level executives?

Ms. Gray. So we didn't get into discussions about particular individuals or particular members of the management team. But we did hear, overall, a sense of disappointment with the leadership in the agency. And our focus, rather than on individual performance of individual members of the management team, our focus was much more thinking, you know, from the sort of bottom up, what are the qualities that this agency needs to have in its management team as --

Mr. Meadows. Let me tell you what I have heard. I have heard from agents that said that the 8th floor, they need to clean house of a lot of those folks. Have you guys heard similar statements like that?

Mr. Perrelli. One of the most telling things that I think we heard from, it was remarkable how consistent this was, was with the rank and file saying to us if what comes of this report is just more money, we need more resources, that is true, but what we really need is leadership. We need a different, dynamic leadership, not specified to one particular floor, but a clear sense from the rank and file that their confidence in the

organization would really improve only if they saw substantial change at the top.

Mr. Meadows. I am going to close with this because I made a promise to a couple of agents, there is this forcing of transferring of people across the country where they will be working for 12 years, 10 years, and then they are forced to move somewhere else. And they are encouraged in such a way that if they don't do it, they may lose their clearance. Is that something that the panel looked into?

Mr. Perrelli. We heard concerns about the transfer policies, concerns, frankly, at the management level, as well as from the line level. I think it didn't become a big part of our report. But I do think that from a budget and management standpoint, that is one of the issues that we think a new Director has got to look at seriously in sort of charting the future course of the organization.

Chairman Chaffetz. Thank the gentleman. Now recognize the gentleman from California, Mr. Lieu, for 5 minutes.

Mr. Lieu. Thank you, Mr. Chair.

Chairman Chaffetz. Ms. Gray, if you could move your microphone just a little more central, that would be helpful. Thank you.

Mr. Lieu. Thank you, Mr. Chair. And thank you to the panel for your excellent report. I think many of us agree with you that you need better leadership. But it is awfully hard to lead without

the appropriate resources. And I wanted to sort of give you the opportunity to respond to what a member very early in the panel had stated about -- because other law enforcement agencies like the FBI had an increase in funding, therefore, the Secret Service must also have had adequate funding. But, in fact, that's not true, right? Hasn't the budgets remained largely flat while your missions have actually increased in complexity?

Mr. Perrelli. I think there has been an increase in missions. And I think what we looked at and talked about in our report and something that gave us confidence that the 285 recommendation that we made for immediate needs was adding 85 agents to the President's protective detail would really only bring it up to where it was in 2004. Now, that is not the budget of the entire organization. And there are folks doing the investigative mission. And so the organization's budget has increased over time. But for the Uniform Division, adding 200 positions would not even bring it to its high-water mark. We thought that was important to do today. But as we said, we think, longer term, a new Director has got to take a serious look at what is the right size, what are the right missions to keep and maybe to shed. We think it is going to take more money once that plan is put together. But it is not to say that all of it is new money.

Mr. Lieu. I have a question for you, the immediately prior member asked a question and sort of stated that folks last year

requested a smaller budget. Was that because they were ordered to do so because of sequestration? They just had to come up with numbers to meet a certain threshold?

Mr. Perrelli. I don't think we can speak really about what happened precisely in another budget process. There is no question that -- and again, I think we talk about this in our report -- I think we found that the Service did what perhaps other agencies do, which is they look at what they have, they think about what they might be able to get through the agency, the OMB, and through Congress. And they ask for a little bit more. And they maybe ask for a little bit more in an area that they think might be one that Congress is interested in funding.

Our concern is that over time, what happened with the Service is that they weren't continuing to increase their staffing, they weren't asking, necessarily modeling and making decisions about how much they really needed. And at some point, over a number of years, what they had and what they needed really diverged in no small part because their missions continued to increase, both the protective mission and, frankly, the investigative mission.

Mr. Lieu. Thank you. Representative Lawrence had read from Bennie Thompson's letter to us. I am going to read another part of the letter. He says "years of budget requests, combined with the reduction of appropriations have left the agency struggling to meet its multi-faceted mission and failing to meet our expectations." I assume you agree with that?

Mr. Perrelli. Yes.

Mr. Lieu. So, Mr. Chairman, with unanimous consent, I ask that Ranking Member Thompson's full statement be entered into the official hearing record.

Chairman Chaffetz. Without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. Lieu. So I am very pleased that you are here, that you issued the report. And I hope we can begin the process of restoring both the Secret Service, as well as protection for our homeland. And we can do that by, first of all, passing a clean DHS bill, so I yield back.

Mr. Connolly. Will my friend yield? My friend here, would you yield?

Mr. Lieu. I will yield.

Mr. Connolly. I thank my friend. Mr. Perrelli, in response to Mr. Lieu about the fact that 85 more uniform personnel would only bring us back to the level of 2004 -- I, for one, am stunned by that. But isn't it also about turnover? I mean, part of the problem with the agency is not just how many uniform people we got, but how long they are there. They are being raided by other agencies. I am going to get into inadequate training in my questioning time. But it is also unbelievable -- I mean, the average tenure of a uniform person is what?

Mr. Perrelli. I don't have that figure at my fingertips. But turnover is high, you know, in no small part because Uniform Divisions have a TS/SCI clearance and a full polygraph, making them very attractive candidates for other law enforcement jobs as well. So there is no question that I think that turnover is high. And that is something that, as we talked about in our report, there is a need to make a decision, make a set of choices about what the Uniform Division needs to be. And that will drive

how you think about investment in the Uniform Division or how you might change its mission. We proposed two different paths in the report, but left it to a new Director to make that call.

Mr. Connolly. Thank you. And I thank my colleague.

Chairman Chaffetz. If the gentleman will yield, I am sure our chairman will give them more time. I would also like to enter into the record and ask unanimous consent to enter the Department of Homeland Security appropriations bill, this was May 29, 2013. I want to read from this. It says the committee -- this is the Appropriation Committee -- is concerned that the President's budget request creates a pay shortfall and results in the reduction of at least 376 FTEs from the Secret Service in fiscal year 2014, and fundamentally alters the dual-mission requirements of the Secret Service. At the current rate of attrition," to the gentleman's point, "by fiscal year 2018, the Secret Service workforce would have been decimated by the loss of more than 1500 FTEs.

If we could put up the slide here on the funding levels, you will find that Congress actually appropriated more than what the President asked for. It does get to the core of what this panel found which is they don't have a zero-based budgeting approach. They don't necessarily have the talent in place to do it. When you are entering into a DOS Operating System, your time codes, they have no idea what these people are actually working. And the feedback that we both got is that they are terribly

frustrated, they don't get adequately compensated, nobody understands what they are really trying to go through. And then they end up with 25 minutes of training time in an entire year. And so we share a responsibility in making sure -- that is why I am glad we are providing this oversight.

The panel has illuminated lots of these things. And I hope we do work in a bipartisan basis to provide the adequate funding, to make sure those agents and officers, we understand what they are going through and that we get those staffing levels up, because you combine the lack of staffing, the drop in that, the drop and reduction in training, and you have got a vortex of vulnerability that is totally unacceptable. With that, my time is more than expired. I will recognize the gentleman from Florida, Mr. DeSantis, for 5 minutes.

Mr. DeSantis. Thank you, Mr. Chairman. And thank for leading the mission over the Secret Service this morning. It was good to see that. I will just comment on the state of the DHS bill in the Senate. What you have is a minority of Senators taking a position that they will not even allow that bill to be debated, no debate at all, unless the President is allowed to issue 5 million work permits and Social Security numbers to people who are in the country illegally, which is, of course, contrary to statute and something he said he could not do previously.

So to me, I think that is absolutely irresponsible that you won't even have this debate. This is a critical constitutional

issue. And I think the country deserves better. And so a "clean bill" would not include any funding for this radical policy change. A clean bill would just focus on funding the core functions of DHS that they had traditionally done, without this new policy that the President unilaterally implemented. Let me ask you this: This is probably outside of what you guys were tasked with doing, but Mr. Filip, I will just ask you to start, how has, because some of the problems I think that you identified are great, need more leadership, better administrative capacities, too much insularity, people have commented about the low morale. So how has the transition of the Secret Service from Treasury to DHS, I know it has been 12 years, 13 years now, having it be in a bigger bureaucracy with more red tape, to me that would exacerbate these problems. Can you comment on whether the Secret Service is better served having been in DHS?

Mr. Filip. Thank, you, Congressman. We did not focus on that question, given that we just had a couple months' time and we thought we had an awfully big agenda just on the core safety issues. I suspect the agency could be improved within DHS or within Treasury. I am sure there is strong arguments on each side. And we have heard arguments exactly like you just shared to the pro Treasury side. And we have heard arguments to the pro DHS side.

Mr. DeSantis. But where were those arguments? Were these line agents? The people who said that they like Treasury better,

were they more administrators?

Mr. Filip. Generally they were, people who brought up the subject were people who had been with the Secret Service for a long period of time and, thus, had been in both places. And there were a variety of views as you might expect. But for folks who just, you know, naturally folks who only know one thing, that tends to be what they think about. For folks who have seen different options, they have strengths and weaknesses as to each.

Mr. DeSantis. Mr. Hagin, were you working in the White House when this change was made, if I read your bio correctly?

Mr. Hagin. I was.

Mr. DeSantis. Okay. So can you comment on looking back or either in the course of your investigation or just using your experience, because it just seems to me that when you have more bureaucracy and you put these folks in an even bigger maze, we talk about personnel, well, the funding is much different when you have all these agencies in DHS than it would have been at Treasury. So can you provide any insight into how you see that issue?

Mr. Hagin. There was a decision that all enforcement was leaving Treasury. So the question really was, at least in my involvement, was Justice Department, Homeland Security, where is the natural fit? When you look at the Department of Homeland Security, you have Coast Guard, who regularly, on a routine basis, supports the Secret Service quite a bit with aerial support and

motorcades, other things like that. You have TSA, who has been supporting the Secret Service with magnetometers, especially during political campaigns when they are stretched very, very thin. There is a lot of support from sister agencies within DHS and that was looked at.

Mr. DeSantis. But the Secret Service does get support from the FBI and from other agencies who are outside of Homeland Security, correct?

Mr. Hagin. Not to the extent that I think you see with Coast Guard and TSA.

Mr. DeSantis. So do you think that the change, to move the Secret Service into DHS, put the TSA as a new creation of that, but there was obviously a Coast Guard before then, so the Secret Service's interactions with the Coast Guard and the support that the Coast Guard has provided has actually been enhanced by having a Department of Homeland Security?

Mr. Hagin. Again, the panel didn't look into that question.

Mr. DeSantis. And you don't have a personal opinion?

Mr. Hagin. My sense is that the Service has, the cooperation has been enhanced by being within the same agency.

Mr. Perrelli. I guess I would just like to add that I think the panel's conclusion was, we identified a substantial number of issues that needed reform at the Service. For those issues, we didn't think moving them from one agency to another would address really any of the issues that we identified. And so while

we understand that that was a serious debate, we thought that the focus really needed to be on solving the problems that we found.

Mr. Hagin. If I could say one more thing, I think one interesting piece on Treasury was that -- being an older guy, I remember well a lot of the discussion back in those days from within the Service about, gosh, Treasury officials, Wall Street guys, finance guys, they really don't understand the enforcement mission well.

So over time, you have had complaints about, you know, wherever they are, people are going to think it is better somewhere else. And I believe it is correct to say that at that point, the Director of the Secret Service reported to either an Assistant Secretary or an Undersecretary of TREASURY. And when the change was made, there was an, it was clear that the Director of the Secret Service would report directly to the Secretary of Homeland Security. So I think we addressed it properly in the report.

Mr. DeSantis. Thank you.

Chairman Chaffetz. Thank the gentleman. Now recognize the gentleman from Virginia, Mr. Connolly, for 5 minutes.

Mr. Connolly. Thank you, Mr. Chairman. And I want to pick up on that very last point, Mr. Hagin. One of the reasons obviously it was originally at Treasury is because of the dual mission of the Secret Service. And I want to get into that. Your report says the paramount mission is protecting the President

and other high-ranking national officials and allows no tolerance for error. We agree. But if you look at Secret Service's own documents, their presentation to the Congress for their budget, it says they carry out a unique dual mission of protection and investigation, meaning currency investigation.

In their mission statement, their own mission statement, they say the mission is to ensure the security of the President, Vice President and families, et cetera, and protects the integrity of our currency, and investigates crimes against national financial systems committed by criminals around the world and cyberspace. I want to ask -- we are all focused on the protection of our senior officials in government and dignitaries who may visit the United States, but they have got a dual mission. And the question is, is that now, frankly, a problem for the Secret Service? They are having trouble with the paramount mission you have identified. Maybe it is time to re-examine whether this dual mission thing makes sense any longer, especially since we moved them out of Treasury.

Mr. Filip. Congressman, we looked at that issue. And we think that is a very serious question. We think that the investigative mission in some form is consistent with the protective mission. Some of those skills, some of those technologies dovetail in very nicely. That said, protecting the financial system of the United States is a massive endeavor if there aren't bounds and limits put on it. And it is likely the

case -- and we think this is important because it also flows through the budgeting and personnel issues -- that there has to be a very hard, good-faith look at whether or not investigative functions enhance the ability to protect or distract. And so the issue you have identified is very real. We share that concern. That is one of the most important things we think a new Director and a leadership team is going to have to look at.

Mr. Perrelli. And let me add on the question, one of the reasons why you find that the investigative mission supports the protective mission is because of the need for surge capacity or additional capacity when the President or other protectees travel, particularly foreign travel, as well as certainly during political campaigns, the arrival of the Pope in the United States, and those kinds of things where you need to be able to draw on a significant force. You also need a period of time, those 4 or 5 years in the field, to train and then ultimately come to Washington to be part of the protective detail. If you didn't have the investigative mission, you would have a very different looking organization, really focused solely on protection. And that, I think, is, would be a very substantial change with a variety of pros and cons. Ultimately, as a panel, we decided that we think, as Mr. Filip said, that the investigative mission does support that protective mission. But that because we believe that the protective mission is paramount, a new Director has to make some serious choices.

Mr. Connolly. My time is going to run out. But I think what also -- and I really appreciate Mr. Filip's candor -- the currency side is a massive enterprise. And I don't know that it makes sense any longer to marry the two. It may have once. I agree there is spillover and externalities, positive externalities about the investigative part. But, frankly, the protective mission need not preclude investigations. In fact, quite the opposite. I, myself, have called the Secret Service on occasion to ask them to investigate a potential threat against a public official, including the President of the United States. So they already have that capacity, not tied necessarily to the currency part. And I would say the chairman, who has invited bipartisan cooperation here, this may be something, Mr. Chairman, we really need to look into, whether this continues to make any sense. I would yield if my time could be frozen.

Chairman Chaffetz. Yes. Your time could certainly be frozen.

Mr. Connolly. I think it was frozen at 55.

Chairman Chaffetz. Our staff has been working together. I do agree with you that I think we should seriously look at separating out the currency, the protection of the currency, the investigation of that. I do think that Secret Service does need an investigative arm. It does go hand in glove with their mission.

Mr. Connolly. Their mission.

Chairman Chaffetz. Yes. But separating out the currency

and giving that responsibility to the Treasury is something we should revisit. And we will continue to work with you and your staff. And we may very well jointly introduce something later.

Mr. Connolly. Thank you. I welcome that. And I absolutely welcome working with you and the ranking member on that. This is something that has bothered me for a long time. Final question -- because I am going to run out of time and I thank the chair -- training, your report is very troubling and you actually say training has diminished to the point of being far below acceptable levels. That just sent a chill down my spine when I read it. What could go wrong with that? And I wonder if you could just elaborate a little bit on what can we do efficaciously to turn that around and get it to far above acceptable levels?

Ms. Gray. Thank you for the question. And I think it is, you know, I want to be clear --

Chairman Chaffetz. You have got to straighten out that mic and put it right there. There you go. All right.

Ms. Gray. I think it is important to be very clear about what we are talking about. Both agents and the PPD and officers in Uniform Division, when they first go to the protective detail, there is hundreds of hours of training, you know, when they are first brought on. So really what we are talking about is in-service training, the kind of training to keep you sharp, to hone instincts, to train together in an integrated way, to train

around new threat scenarios. And for that, I think in terms of the what we can do about it, I think one of the things that we strive to do in our report was to set a benchmark, to have a standard that leaders could be measured against in terms of whether or not they were seeking to fulfill that standard and have a staffing model to support actually implementation of that.

So we set two benchmarks. We set a return to the 4th shift concept for the PPD. And we took a look at large metropolitan police forces, similar Federal agencies with a protective mission, their training levels are between 5 and 25 percent. And we thought, as a panel, you know, at least 10 percent for the Uniform Division, which, if you think about it, is about 2 days a month, is something that we should want to aspire to. So we think setting benchmarks will go a long way.

Chairman Chaffetz. Thank the gentleman. Now recognize the gentleman from Michigan, Mr. Walberg, for 5 minutes.

Mr. Walberg. Thank you, Mr. Chairman. And thank you to the panel. Your report noted that there was a common critique that you heard, that the service was too insular. What are the areas of greatest concern in which the agency needs to improve?

Mr. Filip. I think these go to the leadership question, Congressman. The insularity goes, I think, at least in substantial part, to the idea of kind of an old boy's network for want of a better term, that discipline is not always transparent, or perhaps even uniform, based on whether or not

people have served together in the past or have familiarity with each other. The insularity also goes to the point of reaching out to a broader intelligence community and law enforcement community to gain insights about new technologies and new techniques that are available, perhaps even going so far as to reach out to sister agencies at friendly allied nations, you know, whether it be the Israelis or the British Secret Service equivalents, to find out what techniques they have found helpful in real-threat environments. In the past, that had been done. And it seemed as though that sort of coordination with other folks who might have good insights and experts had diminished.

So those were the main sort of insularities I think that we were looking at. Part of it also was infusing in outside expertise in areas like human resources, budgeting, technology, congressional relations, that leadership might come in those areas that is more effective than folks trained in a protective or law enforcement background.

Mr. Walberg. Who are the main individuals or groups that are bringing these concerns to you? Were these coming from agents on the line?

Mr. Filip. Yes, sir. But we also would hear admissions to that effect, statements to that effect from senior people. It was a uniform, there were a lot of voices to that effect.

Mr. Walberg. You noted hearing that Secret Service would send low-level representatives with little authority to

interagency meetings and that they were, in your words, hamstrung from deriving benefits from their participation. Who at the Service was responsible for this practice? And I guess the other question is why?

Mr. Filip. I think it would be sort of deputy-level folks within their subject matter areas would select the people who would go to those meetings. Why? I think it was just a lack of priority being placed on or maybe a failure to appreciate the benefits that could come from being in dialogues with other parts of law enforcement and intelligence community in the U.S.

Mr. Walberg. And that is a problem with insularity then?

Mr. Filip. Yes, sir.

Mr. Walberg. Didn't want to branch out and find anything different than what was normal?

Mr. Filip. I think, sir, in its most benign form, it was that folks are proud of their own organization. But pride can be a virtue. And pride can be a failing too. There needs to be humility and an appreciation that you can gain a lot from other folks too.

Mr. Walberg. How far down the chain of command does this extend, that attitude extend?

Mr. Filip. I think it is probably not uniform with each and every person. It certainly is something that is organization, the organization has had for some time. I think there is some people at senior levels who are more open to outside perspectives,

some people less, some people at junior levels with the same dynamic. It certainly is something that is prevalent enough that a new Director and a new leadership team has to, we think, respectfully, pay serious attention to.

Mr. Walberg. Thank you, Mr. Chairman. I yield back.

Chairman Chaffetz. Thank the gentleman. Now recognize the gentlewoman from New York, Ms. Maloney, for 5 minutes.

Mrs. Maloney. Thank you, Mr. Chairman, and ranking member for holding this hearing on really a critical issue, the security of the leaders of our country. It is incredibly important. And I thank all the panelists for being here today and all your hard work. You would not have to be a security or a law enforcement professional to recognize that there are some very serious problems with your department, with the United States Secret Service. You would just have to read a newspaper or have some common sense to see that you are an agency in deep trouble. The repeated headlines about tawdry scandals with prostitutes, and Secret Service professionals, the horrendous lapses of judgment and high-profile breaches of security, including breaking into the President of the United States' home.

All these examples make it clear that something is seriously wrong in the culture and in the management of the Secret Service. In any organization, it is not fair to assume that the bad behavior of a few is representative of the many. But we also understand that this is not just any organization, this is the United States

Secret Service. It used to be one of the most respected agencies in our government. And you are tasked with some of the most critical law enforcement missions in our country. Among them, and first and foremost, is protecting the President of the United States, the Commander in Chief, and the leader of the free world. There is no margin for error in your job. There is no slack to be granted. And there is absolutely no possibilities for do-overs.

So far more important today than just fixing the blame and talking about all of these reports is fixing the problem. Now, the question that I hear from my constituents is how in the world did someone jump over the fence, break into the White House, run around the home where our President sleeps and run around rooms where his children play, how in the world did that happen? I don't want to know specifics. I just want to know in an overall statement, can we go to bed tonight and feel that the Secret Service is going to protect the President of the United States? I am going to ask Ms. Gray.

Ms. Gray. Thank you for the question. I think our panel believes that the Secret Service is doing a job protecting the President, and the President ultimately is safe. There is a lot of multiple layers around the President and around his personal protection. But I think to your question about sort of how could something like that happen that you hear from your constituents and the like, I think the report by Deputy Secretary Mayorkas

detailed that a series of lapses and also failures in training and communications led to that event. And that is something that, you know, we hope our recommendations going forward can try to address.

Mrs. Maloney. Well, how can we make sure that there is no longer failures in communication and there are no longer lapses in protecting -- I find that the people are concerned about it. Because the number one goal of government is to protect our citizens and to protect our population. And we created the Homeland Security, we took many strong steps in a bipartisan way after 9/11 to better protect our citizens. So when our citizens see the President's home broken into, it is very terrifying to them because they put themselves in the same situation of being afraid of someone breaking into their home. And I just find it startling that this ever happened in the first place. And I also find your recommendation calling for a new Director from outside of the Secret Service, I have never heard of an agency basically say we can't handle it ourselves, we have got to have someone from the outside come in and tell us how to handle it.

Can you explain why you made this recommendation and why do you think it is going to work and why do you think that someone with the ability -- it is very difficult to get in the Secret Service and the training and everything else that you have, that someone from the Service cannot run the Service. And do you now have a separate agency that is looking at protecting the President

and the Vice President As they move around in their homes? Mrs. Gray again, and then anyone else who wants to come in.

Ms. Gray. Sure. I mean, I think our assessment of the need for an outside Director was that we thought that many of the challenges that will actually lead to addressing some of these issues in the future uniquely, at this moment in time, could benefit from outside leadership. One of the things we say in our report obviously is that that may not have always been true throughout the time during the Secret Service. But right now, given the need to have in place a staffing model so that they can make decisions that reflect actually the mission, given some of the prioritization issues that we have been talking about, how do you make sure that protection of the White House compound and the President are a priority every year and that, you know, the mission creep with other areas is not infecting the organization. All of those challenges we thought could benefit from outside leadership at this time.

Chairman Chaffetz. Thank the gentlewoman. Now recognize the gentleman from North Carolina, Mr. Walker, for 5 minutes.

Mr. Walker. Thank you, Mr. Chairman. Thank you, panel, for being here today. I want to talk about what appears to be the number one glaring concern with the fence jumper. But I also want to talk about that from a budget perspective. So let me make sure that I am clear on this. In your opinion, the fence breach was caused because of insufficient training, is that correct?

Mr. Perrelli. I think we think that -- and this, I think, is detailed in Deputy Secretary Mayorkas' report -- that training and communications issues were a substantial component of that, of allowing that individual to get as far as he did. We make a number of recommendations, both in our unclassified and classified portions of our report, that I think would address some of those issues. And we also think that increasing -- changing and increasing the height of the fence would decrease the ability of somebody to get over the fence at all, much less get as far as that individual did.

Mr. Walker. Sure. But a couple times this morning I have heard it try to be tied into some kind of budgetary issue. My question would be if one of you guys saw someone jump the fence, would you know what to do?

Mr. Perrelli. There is no question that, and I think the Service has, if you talk to people, rank and file, across the Service, they would have said, I think many individuals would say yes, I know what I would have done. What we did find, though, is there was disagreement about that. In other words, there were certainly individuals in the Service who thought lethal force, they would have immediately deployed lethal force, others who said lethal force was not appropriate, many who said putting hands on and actually tackling the person was the right approach. And what the concern that that led to for us was that there was a lack of training, so that you would know in the instant that you

needed to react what you were supposed to do.

Mr. Walker. Sure. But we cannot correlate that to being a budgetary issue, is that fair to say? I mean, we just recently passed a human trafficking bill that would train tens of thousands of agents to spot out some of the perpetrators or the victims. There is no additional funding for it. So sometimes training, to me, has no boundary from the sense it is connected with funding, is that a fair statement in your report?

Mr. Perrelli. I think where budget and training go together is the concern that because of -- training has really disappeared because of, or at least in no small part because of, but not solely because of, the excess overtime that individuals are working. They have canceled in-service trainings, particularly for the Uniform Division, now that training is to an unacceptable level. And those folks are working very, very long hours. So there is an aspect of this I think that relates to resources. As I think we tried to make clear in the report, we do think that, long term, a new Director is going to have to define the priorities and the mission in a way that the Service hasn't to date.

I think the chairman put up a slide about funding. It has not been a question of Congress not appropriating funds, but the Service not coming to Congress and saying what it needed, as well as making some of the hard choices about other aspects of the mission.

Mr. Walker. Granted. But, Ms. Gray, I believe you even

used the term part of the responsibility was to keep sharp and to hone instincts. I don't see where that necessarily ties into more funding. I believe that training can be done without additional resources. Is that part of your report? Do you think that is fair?

Mr. Perrelli. I think our view is that, that the reason why training has reduced so significantly is because the workforce is so overstretched. So we do think that you need more personnel at the White House, both in the Uniform Division and special agent population. And I do think that means more resources in the near term.

Mr. Walker. Fair enough. Let me use the last bit of my time to talk about budget transparency. Were you surprised that no one in the Secret Service could answer some of the budgetary questions that you proposed?

Mr. Perrelli. We were concerned about that. And, as we indicated, the Service needs to professionalize those aspects of the Service so that they can justify, within the administration as well as here, the needs that they have. Because we did the best that we could to identify what we thought was a reasonable number of an increase that they needed in the immediate term. So we were, and I think our word was we were hamstrung in making a more definitive --

Mr. Walker. Maybe could we say that was one of your larger, if not largest, surprises, that there was no go-to person when

you had budgetary questions?

Mr. Perrelli. We were certainly disappointed that we could not get a number of questions answered.

Mr. Walker. And is that part of the reason you are recommending a Director from the outside, someone who would bring a completely different perspective, including not just the Secret Service side, the protection side, but also the budgetary side?

Mr. Perrelli. We do think they need real experts in that area and that promoting from the agent population is not probably the way to go there.

Mr. Walker. Thank you, Mr. Chairman. Yield back.

Chairman Chaffetz. Thank the gentleman. Recognize Mr. Hice from Georgia for 5 minutes.

Mr. Hice. Thank you, Mr. Chairman. And thank you to the panel for showing up. One question that I had that I am still, frankly, trying to wrap my mind around in relation to what you were just referring to, the panel found that the Secret Service does not have in place a system budgetarily in order to even make the most prudent budget decisions. And yet, at the same time, we are saying we need to provide more resources. So I am trying to wrap my mind around this whole understanding of how can we say conclusively that more resources are needed when we are, likewise, admitting that they don't have a system of tracking the budget that they have, they don't even know how to manage and spend the money that they are already receiving. So can you

just clarify that?

Mr. Perrelli. Certainly. So it is not so much about tracking the money that they receive is the issue, but it is a workforce and staffing model to make decisions about how do deploy the resources that they have. Again, it is more in the planning side where we found and the retention, the capturing of data side that we found deficiencies. I think on this question of more resources, for us, training really drove resources. If we wanted to, you know, we were unable, I think, to do the analysis to say, if we want to bring everyone down to a 55-hour week, how would do you it? What we were able to look at was if we wanted to bring everyone up to an appropriate level of training, pursuant to the benchmarks that Ms. Gray talked about earlier, how much would it take? That analysis we were able to do. And that is the basis for the 200 additional Uniform Division and 85 additional special agents.

Mr. Hice. Okay. Thank you. And just going on on the training issue, I think all of us are stunned and appalled by the fact that something as simple as an incident, someone jumping over the fence, that so many people didn't know what to do. That seems like it is 101-type information that everyone agent ought to know. But also the panel looked into training conditions that replicate the environment in which these agents are actually operating. And there was evidently during that fence-jumping incident, there was one team that actually reported that they

were not even aware of the layout inside the White House. This is amazing. So just respond to that as well. What plan is there in the training aspect, if any, to not only provide more training, but specific training as to where these agencies are operating?

Ms. Gray. Thank you for the question. Our report attempted to address what I would call the sort of quality of training issues that you are raising in sort of two different ways. One is more integrated training. So one of the things that Deputy Secretary Mayorkas' report found is that some of the Uniform Division officers were not fully aware of the roles that others officers were playing. And so those standing at post at the door, those on the ERT team, those in the K-9 unit, the different roles and responsibilities in terms of intercepting that person. And so that, in part, reflects a lack of sufficient integrated training, training together as teams. So that is one recommendation that goes to that.

On the familiarization with the White House, as you noted, there was indication in Deputy Secretary Mayorkas' report that members of the Secret Service that were responding to the incident on the 19th were not familiar with the inside layout of the White House. So one of our recommendations, we don't think this should be very hard to do, but one of our recommendations is that the Service invest in a replica so that you can actually have training in a real-time environment.

Mr. Hice. Okay. Thank you. I want to go to Mr. Filip. You

had mentioned a while ago about the human resources issue and the fact that you believe that there needs to be a human resource director from the outside coming in. I am assuming from that that the method up to this point has been agents from within who have been overseeing human resources, is that true?

Mr. Filip. Yes, sir. Historically, the agents have always occupied senior leadership positions in a number of areas that perhaps their background and experience doesn't best prepare them to perform. In the FBI, for example, under Director Mueller, benefited substantially -- we think there is a broad consensus on that -- by bringing in folks from the outside, who have spent their careers in those areas, perhaps outside in the private industry or other areas, in coming to lead those. And we think that is something that would be beneficial here.

Mr. Hice. Okay. And one final question, I understand that there has been changes over the last several years in the hiring process, among other things, online hiring, that type of thing. Who has been pushing these changes? Where has this been coming from?

Mr. Filip. Sir, I don't think we got a keen sense in the time we were looking at where those changes were coming from. It seems as though people sincerely were trying to find methods that would be better. And they did not work. And there needs to be -- that is part of the reason why we think bringing in somebody from the outside who does this for a living is going

to be able to improve things. And, if I could, sir, just please answer one question that a number of folks have asked because I don't want to have us fighting people on this.

The events of the fence jumper were a failure. Okay. We are not part of the Secret Service. But the Secret Service does not dispute that those events were a failure. And at some level, you can train for 100 years, maybe things would have been different. Under any scenario, they were a failure. And so we are not trying to say that events with the fence jumper, there should never be a situation, period, where anybody gets in the front door of the White House with a knife or otherwise. And I just don't want to leave the impression that we have any ambiguity about that or, frankly, that people, I think the Secret Service has acknowledged that too. And it obviously can never happen again.

Mr. Hice. Thank you.

Chairman Chaffetz. Thank the gentleman. Recognize the gentleman from Oklahoma, Mr. Russell, for 5 minutes.

Mr. Russell. I appreciate all the hard work that the panel has done. And I think it is a tough task that you have dug into in a great bipartisan fashion. My questions will focus specifically on the training aspects, because I think that is what is crucial ultimately in getting the job done. If the personnel currently are too deployed to train, how will the additional uniformed and other agents be trained?

Ms. Gray. I think this is where our staffing recommendations and our training recommendations interlink. I think part of what we were attempting to do is to sort of start with asking the question what would be the ideal training benchmarks that we would want to achieve and try to back out of that staffing numbers so you could achieve that without having people do, without having to navigate around the forced overtime and other staffing issues. So I think that is the answer to that.

Mr. Russell. So with the increase in the additional agents, obviously you are going to have to absorb those to be able to train them?

Ms. Gray. Right.

Mr. Russell. It is almost counterproductive because they are already too deployed, you are going to put a bunch of new agents, make the recommendation that that happens and then -- and that is the focus of the question is how would that be absorbed?

Mr. Perrelli. I think probably the way this is likely to happen, obviously we would like the new leadership team to make very specific choices about this, but you would bring in an additional special agent population. Those individuals would come on board. They would go out to the field and begin their sort of 4- to 5-year training period that they get before they would come to the President's detail. And then you would bring individuals in from the field to increase the levels at the White House for the special agents.

Mr. Russell. Thank you. I think all of us are just taken aback by the 25 minutes of average training. As a former combat infantryman, that is just astounding when you are entrusted with so many things, where you may have to protect somebody's life. That just seems totally inadequate. Did any of that 25 minutes of training include sustaining the accurate employment of firearms?

Ms. Gray. So the data that we were given from the Secret Service did not include the time spent on firearms or qualifications and the like. So the numbers that we provided in our report, 42 hours of training in fiscal year '13 for PPD and 25 minutes on average for the Uniform Division, that was apart from firearms or qualifications.

Mr. Russell. So what specifically then was the training focused on? I mean, if you had other aspects of training, here we are quoting 25 minutes but, you know, obviously firearms training or maybe drills training or protecting people that have been injured or whatever it might be, what aspects of training were you looking at?

Ms. Gray. So the data that we received gave us the aggregate training data. And I think we can talk about where, you know, I think we briefed on some of the different training protocols in the classified setting. And we want to be careful about that here.

Mr. Russell. Sure.

Ms. Gray. But, I think, for example, just to give an example, one of the things in the Mayorkas report talked about lack of training around communications equipment and how to properly use communications equipment. And that is like an appropriate subject of training. And I think there is indication that there has not been a lot of that in recent years.

Mr. Russell. And then were there any training recommendations that you made focused on proper reduction of threats and uniform rules of engagement?

Mr. Perrelli. We looked at this question of the use of force policy, for example, which had been discussed quite a bit in the Mayorkas report. I think what we found was very different views, notwithstanding the same words on the page and the same, very different views about what force was appropriate in various circumstances. And I think we felt that both that additional training on that was needed, but also that they needed integrated training so that each individual knew what their role was, who is the person who is the last line of defense at the door, who is the person who is doing the tackling, all of those, you know, how do you work in an environment where a K-9 has been released, those kinds of things we felt, and again, I think the events of September 19th indicated, needed to be addressed.

Mr. Filip. Mr. Congressman, there are parts of the classified report that speak to threat reduction as well.

Mr. Russell. I appreciate that. And I do appreciate the

sensitivity on that. And I guess I was, my question was focused, did you recommend a standard uniform rules of engagement?

Mr. Filip. The rule that the Secret Service uses comes from Supreme Court law about dealing with appropriate use of force that is pretty uniform whether we were looking at the metropolitan police in a big city or the Secret Service or the FBI or whatnot. It is not so much there is ambiguity about the policy, it is the execution of it, sir.

Mr. Russell. I see. That answers it. Thank you. I yield back my time.

Chairman Chaffetz. I thank the gentlemen. And I think this is a big area that needs to continue to be looked at. Because the use of force, lethal if necessary, has got to be well understood by every single person. And you can never, ever make a mistake. In this day and age of ISIL and other terrorists, you don't know what is underneath them. I think it is terribly unfair to assume somebody doesn't have anything underneath their clothing. In this day and age, we have to assume that that person might have an improvised explosive device or some sort of chemical agent or whatnot. And we should deal with it appropriately. That brings up a good point.

The gentleman from Georgia, Mr. Carter, is recognized for 5 minutes.

Mr. Carter. Thank you, Mr. Chairman. And thank all of you for being here. And thank you for what you do. And this is helping

us out tremendously. So we appreciate your efforts in this. I want to concentrate just for a couple minutes on staffing because I am concerned here. Can you tell me how we are doing as far as new recruits go and are we getting new recruits in?

Mr. Perrelli. Again, I refer back to the chairman's chart at the outset, that there was certainly a period of time where the Service's hiring process was not functioning as intended, whether for budgetary or other reasons. Because problems with the hiring process, they were not getting classes through. Our sense is that that has improved. They are using different hiring practices again. And we think that is improving. But as Mr. Filip indicated, we continue to believe that having -- some of the mistakes that have been made in the past related to not having a professionalized human resources function, or led by professionals in that area. And we think that is an important change going forward.

RPTR RULL

EDTR ROSEN

[12:01 p.m.]

Mr. Carter. So you are acknowledging, then, that there has been a decrease in the number of new hires of people coming in?

Mr. Perrelli. There was a gap, a number -- 2 or 3 years there where they were not bringing classes through at the levels that they needed to sustain the workforce.

Mr. Carter. But your assertion is that that was not caused by a lack of interest of applicants, but instead by the hiring process itself?

Mr. Perrelli. I think there were budgetary issues. And then -- but it was also the hiring process. It wasn't that they lacked for applicants. It was that they struggled to get them through the process in a timely way. You would have people start the process, go through the process for up to a year, and then fall out of the process either because they failed a polygraph or for other reasons.

Mr. Carter. Okay. All right. Hang with me real quick here. What about the force as it is today? Where are we at with our labor pool? Are we -- what percentage will we see retiring in the next 5 to 10 or be eligible to retire? I am worried about the fact that we are going to get into a situation where we don't have enough Secret Service agents.

Mr. Perrelli. And I think our concern was, again, looking

at that gap that the -- really looking 3 or 4 years out from now where the individuals who, in an ordinary year, would have been hired and weren't, would be starting their rotation in Washington as part of the President or the Vice President's protective detail. So I think we think a new Director needs to start planning now for that. And that also includes, as you look forward, 2020 is going to be a year with the 75th anniversary of the U.N., a Presidential campaign. That is going to be a year where the Service is going to be quite busy. And they need to make sure that they have the personnel ready to go and trained for that period. And that takes preparation now.

Mr. Carter. Would you say that the White House recognizes this? Because it is my understanding that the last budgets that had been submitted by the White House that Congress has actually put more money in there in order to address this scenario.

Mr. Perrelli. And I think, as we talked about in our report, I think the issue that we really saw was the Service having difficulty in defining what it needed and seeking resources for that. So it wasn't so much that -- it wasn't that Congress was saying, you know, we are not going to provide the President's budget. It was that, as this was working up through the process, the Service was approaching its budget by saying, "Here is how much we have. Maybe we ask for a little bit more," rather than saying, "Here is what the mission is, here is what we need to achieve it," and pursuing those resources.

Mr. Carter. Well, for myself -- and I suspect and I hope for you as well -- one of the most disappointing things that occurred to me in this report was the low morale. I mean, how did that come about? Did these guys not watch these movies? I mean, man, they get you all excited about being a Secret Service agent. What happened?

Mr. Perrelli. Well, you know, one, these folks are working extremely long hours. And as I think we -- in our leadership recommendations, we talk about the lack of confidence in the workforce about disciplinary and other decisions, which I think, you know, has an impact there.

You know, if you are -- you know, we met with uniform division sergeants just shortly before Thanksgiving. And for them, they didn't know whether they were working on -- and they didn't know if they would be -- they didn't think they would know whether they were working on Thanksgiving until Thanksgiving morning. Those kinds of things, plus long hours of forced overtime, they take a toll on the workforce.

Mr. Carter. Listen, that sounds -- you know, I am a business owner. That sounds like a management problem. That needs to be addressed immediately. Well, thank you again for everything you have done. We appreciate your efforts.

Thank you, Mr. Chairman. I yield the remainder of my time.

Chairman Chaffetz. Thank you. I appreciate the gentleman. I now recognize the gentleman from South Carolina,

Mr. Gowdy, for 5 minutes.

Mr. Gowdy. Thank you, Mr. Chairman. I want to thank you for your consistently hard work on this issue while you have been the chairman and even before that when you were on the committee.

I will throw this question to any of the four panelists who can answer it. Explain to me, picking up on Mr. Connolly's question, how working counterfeit currency prepares you for personal protection.

Mr. Hagin. When a new agent comes out of Beltsville out of basic training, they are assigned to a field office for 4 to 5 years. During that assignment, they have, you know, various investigative roles, but they are also serving as manpower for protective stops. So if the President, the Vice President, and any of the protectees come into your region, you are assigned from your investigative role to be part of the manpower squad, which is how they start to become familiar with protective operations.

Mr. Gowdy. Well, I get how practicing protection details helps you with protection details. I am trying to figure out how investigating someone using an inkjet printer to print counterfeit %100 bills prepares you for that. I am trying to understand how those two missions are combined.

Mr. Hagin. Well, they develop law enforcement skills. They develop the -- you know, the sense of when someone is lying, when someone is to be --

Mr. Gowdy. Which leads to this question: Your applicant pool, do you draw heavily from those women and men who are already in law enforcement and may already have those skills?

Mr. Hagin. I believe in the previous hiring practices over the last few years that that is not the case. They were hiring off of USA Jobs and --

Mr. Gowdy. Why not hire ex-military? I know there is an age cutoff, but why not hire ex-military, State and local law enforcement, a field that already has that basic investigatory skill package that you are looking for instead of hiring somebody who was an accounting major that just decided they want to join Federal law enforcement?

Mr. Perrelli. I think that you are likely to see, Congressman, with the change in hiring process a shift to probably drawing more from State and local law enforcement and ex-military, which I think has been more common to the Service prior to the period when we think their hiring practices really became problematic.

Mr. Gowdy. Well, you know -- and I am sure the four of you know this. The U.S. Marshals have the broadest jurisdiction of any Federal law enforcement agency. They just don't use it. They search for fugitives. They provide security in the courtroom. They provide security for courthouses. But they have very, very broad jurisdiction, they just don't use it. They have become experts in a very -- in a narrower field.

I loved all of my years working with Secret Service. I thought they were really good on the currency and the counterfeiting cases. I just never understood how those two skill sets go together. Searching for missing persons and doing personal protection, I see how those go together. But investigating the use of an inkjet printer to print fake \$100 bills and providing protection for the President or Vice President, I just don't see how those skill sets go together. But it seems to me that you all are already on top of that.

One question that arose with the former Director that I am not sure I got a good answer to. You mentioned training. I don't think the failure to secure and search a crime scene is a training issue. And I say that, because I believe the housekeeper, who did not train at either Glynco or Quantico, knew enough to alert someone, you might want to come up and search this part of the White House. I just -- if you have to be trained to secure and search a potential crime scene, you are probably not in the right line of work. So what explanation were you all, if any, able to uncover for how they missed that?

Mr. Filip. Congressman, I think you are putting your finger on something very important, and it also relates to the man who got inside the front door of the White House with a knife. There aren't adequate explanations for failure to secure that evidence of the shooting up in the residence. Nor -- you can talk about things forever and you can talk about training forever. If there

were never another hour of training for 10 years, no one should get in the front door of the White House again.

We are not here to defend either of those, period. Those were both grave mistakes, and neither one of them should have happened.

Mr. Gowdy. Well, I appreciate your candor, and I appreciate the work that you did. And the Secret Service has a very rich, deep, good reputation and history. And I would like to see it get back to the days where I remember it. It is a very important agency. We have to get it right.

Thank you, Mr. Chairman.

Chairman Chaffetz. Thank the gentleman. Recognize the gentleman from Alabama, Mr. Palmer, for 5 minutes.

Mr. Palmer. Thank you, Mr. Chairman.

And Ms. Gray, you mentioned the excessive amounts of overtime. And it has been mentioned several times in this hearing. Do you have an idea of how many overtime hours have been worked annually?

Mr. Perrelli. So I think when we looked at -- so with respect to the agent population, we just don't think there are actually accurate records for that because what we found was agents routinely enter 8 hours and 2 hours of a law enforcement availability pay time, even when they are working 17, 18, 20 hours. So that, I think, we -- we think the accurate records for that are difficult to find.

With respect --

Mr. Palmer. Let me ask you this: If the agents are not logging the hours they are working, does that mean they are uncompensated for overtime?

Mr. Perrelli. Well, they are getting paid for their 8 hours and their LEA pay. You know, I think -- you know, frankly, we want a high-performing culture. We don't want a group of individuals in the Secret Service punching the clock. I don't think they view it as uncompensated time because I think -- but certainly they are working, you know, extraordinarily long hours, well beyond what anybody has measured.

Mr. Palmer. I don't think I am communicating this correctly. What I am trying to find out is, within your budget process, you have so much budgeted for salaries and benefits and certain professional -- certain professions when you work beyond the 8 -- not beyond 8 hours, but beyond 40 hours, you are compensated for your overtime. Some is time and a half, some is straight time. That is what I am trying to find out.

Mr. Perrelli. So in the uniform division, they are compensated for overtime. And what we found in the uniform division side is that there were wide variations. Some people were working extraordinary amounts of overtime. I think the -- the precise number I don't have right at my fingertips, but I think it is 58 hours on average, but again with wide variation.

Mr. Palmer. All right. That is almost 50 percent more than what they normally should work. And obviously that has implications for stamina over time. If you are working consistent hours, that -- working those kind of hours on a consistent basis. It also, though, has a budget impact, because generally you shouldn't be budgeting personnel to work those kind of hours.

So what I want to know is that we are paying for this. Does it make sense to be paying for overtime when we could convert what we are spending on that to new personnel?

Mr. Perrelli. And I do think that is a finding of our report, is that rather than bring on new personnel and train them up and get them ready, what happened was the need kept increasing, the personnel on board did not keep increasing, and they essentially substituted overtime for bringing on new personnel. So again, you are looking at the chairman's chart. If you see the gap in hiring and the number of classes that go through, that is made up through overtime. And we think a less tired workforce would, you know -- some of that obviously would be compensated -- and bringing on new people, having a less tired workforce, some of that would be compensated by less overtime.

Mr. Palmer. Well, even on the training side, you could have them trained up, but if you are working that many hours you are reducing their effectiveness. But the thing that gets me is, it is a management issue, is that you are spending money on overtime,

and someone is making a decision to pay overtime rather than bring in these new hires, which would reduce the demand on your personnel. That just doesn't make sense.

Mr. Perrelli. We agree with that.

Mr. Palmer. The clock changed on me. I thought for a moment there that I was out of time.

The thing that keeps coming up -- and from some of the other testimony that I have heard -- is it seems to me there is an overall decline in morale in the Service. And I commend you for the work you are doing. I commend -- I don't know how much input you had into the report that we read on the recommendations for reforms, but I wholeheartedly support what is in the report, particularly bringing in someone from the outside. I am a big believer in bringing people in from the outside into a huge organization because they can see things that nobody else inside sees. You develop a culture over time where you just start to miss the obvious.

So I want to encourage whoever needs to be encouraged to pursue someone from outside the agency, at least in a transitional-type setting, to be able to come in and make the changes that will bring the agency back up to the standard of excellence that you have enjoyed for years and years and that we all expect.

Thank you, Mr. Chairman.

Chairman Chaffetz. Thank the gentleman.

Now recognize the gentleman from Wisconsin, Mr. Grothman, for 5 minutes.

Mr. Grothman. Thank you very much.

Chairman Chaffetz. Sorry. Hit the talk button there, if you could please. Than you.

Mr. Grothman. Okay. Very good. I have got a couple of questions for you folks. First of all, thanks for spending so much time with us today. I really appreciate you doing that.

Obviously, there is a lot of discussion about who the new Director is going to be. There is a feeling that he ought to come from outside the agency now. I just want your opinions. Why do you believe the next Director should come from outside the agency?

Mr. Filip. And maybe we all should speak to that, and I will take the first crack at it, Mr. Congressman. We think that all things equal, it is easier for an outsider to achieve some of the things that are important, taking a fresh look at priorities, having consistent discipline, making tough personnel decisions, bringing in outside folks in the H.R., in the congressional relations, budgeting areas perhaps as appropriate. So again all things equal, it is easier for an outsider to come in and do that. The FBI does that historically. The CIA does that historically.

Again, just to underscore this, obviously that is the President's choice ultimately. And sometimes all things aren't equal in the world in that, you know, someone from the inside brings in an outside leadership team with him or her, and they

are the right person at the right time. We will support whoever the President chooses to the extent we can be supportive of them. But all things equal, we do think an outsider would probably be able to do some of those other things easier.

Ms. Gray. Yeah. I would agree with that. The only other thing I would add is that, you know, our report goes into detail in some of the budget and administrative functions of the organization that really need to have a priority in order to support the protective mission of the agency. And I think we think an outside Director can really bring a fresh perspective to that.

Mr. Perrelli. I would echo that. And, you know, we -- one of the opportunities that we had as a panel was to talk broadly across the Federal Government in areas of technology and management. And we think there is a lot of talent that could help the Service. And we think that while, you know, certainly promoting from within for certain positions is important, we also think that there should be more people at senior levels who come from outside the Service with different backgrounds.

Mr. Hagin. And having someone who has the experience at changing an organization and being able to aggressively drive the changes that are needed here to, you know, both the use of technology, the management of technology, the human resource and budget issues really need a change agent.

There are a lot of really great people in the Secret Service. And I think that we met and talked with quite a few people who

we feel that with, you know, some further experience and education in terms of management training could be great directors of the Service going forward. But at this point in their history, they need somebody who can aggressively drive change, and our view was that that person best come from the outside.

Mr. Grothman. That is kind of illuminating, because usually when you deal in government people like -- you know, they are afraid of somebody from the outside. But it says a lot for you guys. You guys would not -- you feel that somebody other than Acting Director Clancy, kind of that outside view, would be an improvement?

Mr. Filip. Well, we did not do any sort of personnel review of Acting Director Clancy. He has done a great job and he has been a great public servant. And we just didn't do a review to that effect.

Again, all things equal, there is certain parts of this job that are easier, we thought, on average for an outsider. But I think we all have great respect for him.

Mr. Grothman. Okay. One other question, because we are running out of time here. Right now you guys fly in agents to supplement the uniformed division at the White House. And apparently that is very expensive. Could you comment on that practice?

Mr. Perrelli. Well, I think -- and it does reflect an effort by the Service to address, you know, a short-term, trying

to ensure they have adequate manpower at the White House. But I think similar to the questions we talked about about overtime, that is not a cost effective and long-term strategy for dealing with these issues. That is why we recommend them bringing on more people, permanent hires, the 200 additional uniformed division, the 85 additional special agents, because we think that that is a better way to do this than more expensive ways to do that that have -- they are really only for short-term.

Mr. Grothman. Okay. So you feel we are spending money unnecessarily by doing things this way?

Mr. Perrelli. I think that is right.

Mr. Grothman. Okay. Thanks very much, Mr. Chairman.

Chairman Chaffetz. Thank the gentleman.

Recognize the gentleman from Maryland, Mr. Cummings.

Mr. Cummings. Again, I want to thank you all for all you have done. I just want to zero in on something that we have not spent a lot of time on. When I was the chairman of the Subcommittee over Maritime Transportation and the Coast Guard, under the Transportation Committee, we had a situation where the Coast Guard was purchasing boats that didn't float, literally. Literally. And what we discovered was that the Coast Guard did not -- the way they constructed their contracts and did their procurement, the major problem is they didn't have people in-house who knew about procurement, which is incredible. And we literally lost hundreds of millions of dollars.

And that takes me back to the piece where you all talk about maybe we need to have people who are experts in certain areas to do that. And then I was listening to what the chairman was reading -- I guess that was budget language. And I asked myself, well, how do those things happen? You know, an accounting-type person speaks accounting. And so I was wondering, how significant is that? And it sounds like what they do is they take agents and put them in these positions that they may not -- I don't want to say may not be qualified for. But there are probably people who have trained in those expertise that would be better in that. And can you tell me the significance of that? And have I got that right?

Mr. Filip. You do, sir. I think the significance of it is real. I guess the way I would put it, I think the nicest way to put it is that in life you try to put people in a position where they have the best chance of succeeding, both for themselves and for the organization. And if you have somebody who is an A-plus protective person or law enforcement person, they may not be an A-plus person at media relations or congressional relations, any more than any of us would be good at being emergency room technicians or some such thing. We all have our strengths and weaknesses.

What the FBI has done under -- did under Director Mueller -- and it seemed to be a material improvement in their endeavors, was to try to recruit -- and it is not always easy.

It is hard to get people to leave their positions, to move, things of that sort. But to put a real focus on recruiting experts who would come into the Secret Service. They were attracted -- in that case, the Bureau. They were attracted to the mission. It was a way to engage in public service. It was a way to make a difference in America and be involved in human relations, be involved in IT efforts for the Bureau. And they improved things.

The Bureau has a well-publicized history where it wasn't that great at IT for a while. They had a lot of expensive challenges and frankly failures, and they got better. And so we think, respectfully again, that this is an area that would merit serious consideration, because bringing in senior-level people in human resources, in budgeting, in technology, congressional relations could really move the needle for the whole organization, and it would be something that would be great public service for the senior folks who came in.

Mr. Hagin. To be fair, the Service does employ experts in human resources, technology, and others areas. They do not ever occupy the senior-most spot. And when you are trying to again, drive change, it is hard when the top guy -- top person holding that responsibility is not the expert.

Mr. Perrelli. Okay. I think it -- and I just echo. I also think it is -- you need to bring in those experts and you need to give them a seat at the leadership table.

Mr. Cummings. Last but not least, we talk about morale. One

of the things that we find in hiring people even here on the Hill, people like to know that they have a chance to move up in an organization. I guess it -- the military is sort of like that, I guess.

The people that you talk to, the agents, did they say that they would prefer somebody from the outside? I am just curious.

Mr. Perrelli. We got a mix of views on that. And again, I think very, very telling that there were a number of individuals who talked to us who said, you know, that, you know, we really needed -- that would be a sign of change and that we think that as an organization we would benefit from that. So we did get a mix of views on that.

There is -- you know, within the agent population, I think, as we talk about in the report, there were questions about promotions and whether -- was this one being fairly applied and were promotions being fairly applied? And I think that is something that a new Director has got to regain the confidence of the workforce on.

On the uniform division side, over time there have been eras in the Secret Service where it was possible to move up from the uniform division up through the special agent ranks, even to the Director of the Service. What we see, at least today, is a view of the uniform division that that pathway isn't really open. And I think a new Director has got to think about opening that up again.

Mr. Cummings. As I close, let me just say this: That we -- that the chairman and I have been working very hard on this issue. And your report and your work, without a doubt, has been a guiding light. And I cannot tell you how much we appreciate it. It has allowed us to be able to delve into some things that we probably would not even have known about. And the way you -- and your recommendations, all of that will help us tremendously.

And I think your report serves as an example of where, when we have crises like this, and I do consider it a crisis, that it is the kind of thing we probably need to start with so that we could then delve even deeper. So again, I want to thank you. And I want you to know that, you know, I think what you have done will make the Secret Service a much stronger organization and, as someone said, restore the honor that we have known for many, many years. Thank you.

Chairman Chaffetz. Thank the gentleman. I have a couple just procedural questions for you, and then we will wrap up.

And let me first highlight how much we appreciate Homeland Security Secretary Johnson, Mr. Mayorkas, others who made this a priority and made it happen and were smart enough to engage you all in putting this together, because it is a first-rate panel. And we appreciate the depth in which you were able to get information. And the report is so valuable to us. I can't thank you enough for your time.

What types of documents, how many -- can you give me a sense of the documents that you were able to review, the size, the quantity, what types of documents?

Mr. Perrelli. Thousands of pages of documents. Everything from, you know, prior reports, sort of of the kind -- you know, in the 1990s, for example, there was the plane that went down --

Chairman Chaffetz. Right.

Mr. Perrelli. -- in the White House property. So there were a series of reports that came out of that. But as well as lots of budgetary documents, certainly, you know, manuals about everything from training to how to undertake certain operational activities. So I think a pretty wide range of information. Certainly with respect to our classified report, we give details on specific classified documents as part of this report.

Chairman Chaffetz. And how were they produced to you? On paper? Electronically?

Mr. Perrelli. I think both.

Chairman Chaffetz. And how long did it take from the time you made a request til you actually got the documents?

Mr. Perrelli. I think that we got terrific response from the Service when we asked for things. And so I think we were very happy with the responsiveness, both of the documents. And, frankly, folks came to us with a lot of candor, you know, and gave us their unvarnished view.

Chairman Chaffetz. So if you were to ask for documents, how long would that -- how long did that take to get them back to you?

Mr. Perrelli. I would probably have to ask our staff to talk about time frames, because I probably wasn't as focused on them. I am not sure any of the panel members were.

Chairman Chaffetz. I am just looking for a generality. You were -- you started your work. Day one was --

Mr. Perrelli. We were brought on board at the end of October and then we worked through December 15th.

Chairman Chaffetz. Yeah. That is an amazing amount of time. Did the Secret Service ever complain about giving you these documents?

Mr. Filip. No, sir.

Chairman Chaffetz. Any challenges with getting these documents? Any personnel issues that they cited?

Mr. Perrelli. No. I think -- as I think we indicated, I think one of the challenges was trying to get the kind of budget --

Chairman Chaffetz. Right.

Mr. Perrelli. -- the kind of resource documents with respect to evaluating some of the staffing issues that we were concerned about. So, as I think we noted, trying to get that information was challenging and I think, in no small part, because I don't think they have it in a form that is -- you know, would be sort of useful to use. And so I think that -- you know, I would

identify that as a challenge that we had.

Chairman Chaffetz. The budget?

Mr. Perrelli. Those documents, because I think -- or that information. I think more of it as information than documents. We wanted to make some, you know, even more specific recommendations about the appropriate size of the Service. And because it was difficult to get information about manpower usage and about particular staffing, you know, as I think I indicated to one member, you know, we were able to assess from the bottom up what you would need to bring the training level up. But it was much more difficult to assess if you wanted to bring everybody's hours down to a reasonable level, what would that take?

Chairman Chaffetz. Right.

Mr. Perrelli. And we weren't able to do that.

Chairman Chaffetz. Again, on behalf of this committee, we want to thank you for your good work. You put a lot of time and effort in it. We appreciate you being here today. You made quite a sacrifice, but it is truly valuable. I think the Service is listening to you, and I think Homeland Security is listening to you. Certainly we are. And I hope that we find that, as time goes on, that all of these recommendations are implemented in their fullest. So we thank you again for your participation today.

Sorry. Mr. Cummings?

Mr. Cummings. This is for our own sake, Mr. Chairman.

Mr. Filip?

Mr. Filip. Yes, sir.

Mr. Cummings. You said something a minute ago that -- you said -- you were talking about -- you were answering a question, and you said -- you were talking about the President making a selection. But then you went on to say, "We could support that." I mean, what does that mean? In other -- not necessarily that particular question.

So, I mean, what do you see as you all's role now? That is what I am trying to get to.

Mr. Filip. Yes, sir.

Mr. Cummings. Yeah.

Mr. Filip. I don't mean to sort of arrogate our expertise or anything, or elevate it unnecessarily, but we did put a lot of time into it. Our staffs put a lot of time into it. We hope that folks think that we generated some insights that are useful. Whoever gets picked to be the next Director, if it would be useful for them to meet with us or their chief of staff or whoever it is, so long as it is okay under the rules of appointment and all that, I can speak with great confidence for everybody involved that we would be happy to try to be supportive and useful to them in whatever role they would find useful.

Mr. Cummings. Was it your understanding, when you were appointed, that that would be part of it or is that something

that you all are basically saying we are willing to do? Are you following me?

Mr. Filip. I think we are just willing to do it. To be honest, sir, there is all sorts of rules and bureaucracy about how many days you can serve and all this and that. And, to be honest, I don't really know how that all works out. I think we are just saying, if we can do it consistent with the regulations and the rules and stuff -- we have developed a great respect for the Secret Service in this process, and obviously this is an issue that, you know, anybody who cares about the country, and we all truly do, in the most bipartisan way that you all have embodied, can, you know, feel very proud to have any small contribution toward, and if we can make any further small contribution, we would be proud to do it.

Mr. Cummings. Well, that makes me quadruple my thanks. You know, I am serious that you would do your duty and then say that we -- you know, we are willing to follow up to help make this organization the very best that it can be. And I think that this is what America is all about. This is what -- you all are what make this country the great country that it is. And I don't say that lightly. And I really appreciate it, and I know that our committee does, too.

Chairman Chaffetz. Again, we thank you. We thank your staff. We appreciate the great work that was done. This committee stands adjourned.

[Whereupon, at 12:35 p.m., the committee was adjourned.]