

# Department of Homeland Security **Office of Inspector General**

Personnel Security and Internal Control at TSA's  
Legacy Transportation Threat Assessment and  
Credentialing Office





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Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

October 26, 2012

MEMORANDUM FOR: The Honorable John S. Pistole  
Administrator  
Transportation Security Administration

FROM: Charles K. Edwards   
Acting Inspector General

SUBJECT: *Personnel Security and Internal Control at TSA's Legacy  
Transportation Threat Assessment and Credentialing Office*

Attached for your information is our final report, *Personnel Security and Internal Control at TSA's Legacy Transportation Threat Assessment and Credentialing Office*. We incorporated the formal comments from the Transportation Security Administration (TSA) in the final report.

The report contains eight recommendations aimed at improving legacy Transportation Threat Assessment and Credential Offices. TSA concurred with seven recommendations and did not concur with one recommendation. As prescribed by the Department of Homeland Security Directive 077-1, Follow-Up and Resolutions for the Office of Inspector General Report Recommendations, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Based on information provided in TSA's response, we consider Recommendations 1 and 2 closed and resolved. No further reporting concerning these is necessary. We consider Recommendations 3 through 7 open and resolved. Recommendation 8 is open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility for the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Deborah L. Outten-Mills, Acting Assistant Inspector General, at (202) 254-4015, or Marcia Moxey Hodges, Chief Inspector, at (202) 254-4202.

Attachment



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## Abbreviations

BMO	Business Management Office
CSA	Customer Support Agent
DHS	Department of Homeland Security
EEO	Equal Employment Opportunity
FY	fiscal year
GAO	Government Accountability Office
IRTPA	<i>Intelligence Reform and Terrorism Prevention Act</i>
ODNI	Office of the Director of National Intelligence
OIG	Office of Inspector General
OLE/FAMS	Office of Law Enforcement/Federal Air Marshal Service
OPM	Office of Personnel Management
PSD	Personnel Security Division
SCI	Sensitive Compartmented Information
SFA	Secure Flight Analyst
TIM	Technology Infrastructure Modernization
TSA	Transportation Security Administration
TSA OCRL	TSA Office of Civil Rights and Liberties
TSA OHC	TSA Office of Human Capital
TSA PSD	TSA Personnel Security Division
TTAC	Transportation Threat Assessment and Credentialing



## **Executive Summary**

The Department of Homeland Security's (DHS) Transportation Security Administration (TSA) Transportation Threat Assessment and Credentialing Office was established as the lead for conducting security threat assessments and credentialing initiatives for domestic passengers on public and commercial modes of transportation, transportation industry workers, and individuals seeking access to critical infrastructure. Two programs, the Secure Flight Operations Center and the Security Threat Assessment Operations Adjudication Center, were established to conduct case-specific adjudications of potential threats to transportation security. In 2010, TSA initiated an administration-wide restructuring that includes reviewing all personnel position descriptions and realigning Transportation Threat Assessment and Credentialing Office functions under other TSA offices.

We reviewed TSA's oversight of personnel in the legacy Transportation Threat Assessment and Credentialing Office. Specifically, we reviewed whether position descriptions and background investigations are appropriate for employees' authority and responsibility levels. We also reviewed whether there are adequate internal controls to provide oversight of personnel workplace activities.

We determined that TSA employee background investigations met Federal adjudicative standards, but were not timely. The Secure Flight Operations Center and the Security Threat Assessment Operations Adjudication Center identified potential insider threat risks; however, limited resources weaken internal control at the Security Threat Assessment Adjudication Center, and the shift and supervisory structure at the Secure Flight Operation Center uses resources inefficiently.

Within the legacy Transportation Threat Assessment and Credentialing Office, there has been a pattern of poor management practices and inappropriate use of informal administrative processes to assess and address misconduct. We are making eight recommendations to improve background investigations, internal controls, staffing models, data system development coordination, and use of TSA or DHS formal complaint processes, and to establish an independent panel for legacy Transportation Threat Assessment and Credentialing employees to request review of reassignments.



## Background

TSA's Transportation Threat Assessment and Credentialing (TTAC) Office was established as the lead for conducting security threat assessments and credentialing initiatives for domestic passengers on public and commercial modes of transportation, transportation industry workers, and individuals seeking access to critical infrastructure. Congressman Bennie G. Thompson, Ranking Member of the House Committee on Homeland Security, requested that we review the background investigations and suitability determinations conducted for TTAC personnel. Specifically, Congressman Thompson requested a review of the quality, fairness, and impartiality of the clearance and suitability system at TTAC, and how TTAC evaluates judgment, reliability, and trustworthiness.

Our objectives were to determine whether TTAC employees have (1) position descriptions that reflect authority and responsibility levels accurately; (2) a personnel security screening process that complies with Federal laws, regulations, policy, and guidance; and (3) adequate internal controls on workplace activities. While each objective is distinct, all assess whether personnel with critical roles in transportation security have sufficient oversight. In addition, in 2010 TSA began a restructuring initiative that included an administration-wide review of personnel position descriptions and a reorganization of TSA, which realigned TTAC functions among three different TSA operational organizations. We reviewed the potential effect of these changes on oversight of legacy TTAC personnel. To provide context for this review, we will describe standards for personnel oversight, summarize the structure and functions of legacy TTAC, and outline the elements of TSA's restructuring that affect legacy TTAC.

### **Personnel Oversight Involves Multiple Federal, DHS, and TSA Offices**

Although TSA was established through the *Aviation and Transportation Security Act of 2001*, with excepted service authority, standards for human capital, personnel security, and workplace conduct are governed by a number of Federal laws, regulations, and DHS policies for competitive service positions.<sup>1</sup> As figure 1 illustrates, oversight of TSA personnel involves multiple Federal, DHS, and TSA offices.

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<sup>1</sup> P.L. 107-71. Competitive service positions are subject to the civil service laws passed by Congress and codified under Title 5 of the United States Code. Excepted service positions are not subject to the appointment, pay, and classification rules of the competitive service. [http://www.dhs.gov/xabout/careers/gc\\_1303762131481.shtm](http://www.dhs.gov/xabout/careers/gc_1303762131481.shtm). Excepted service authorities, which apply to TSA's personnel management system, are cited under 49 U.S.C. § 114(n), and 49 U.S.C. § 40122.



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**Figure 1: Personnel Oversight**

<b>FEDERAL</b>
<b>Office of Personnel Management</b> <ul style="list-style-type: none"> <li>Human capital management</li> <li>Personnel security programs (background investigations, national security clearances)<sup>2</sup></li> </ul>
<b>Office of the Director of National Intelligence</b> <ul style="list-style-type: none"> <li>National security clearances</li> <li>Security clearance reciprocity between Federal departments and agencies<sup>3</sup></li> </ul>
<b>DEPARTMENT OF HOMELAND SECURITY</b>
<b>Office of the Chief Human Capital Officer</b> <ul style="list-style-type: none"> <li>Human capital guidance, training</li> </ul>
<b>Office of the Chief Security Officer—Personnel Security Division</b> <ul style="list-style-type: none"> <li>Personnel security monitoring, guidance, and training</li> </ul>
<b>Office for Civil Rights and Civil Liberties</b> <ul style="list-style-type: none"> <li>Violations of civil rights and Equal Employment Opportunity standards</li> </ul>
<b>Office of Inspector General</b> <ul style="list-style-type: none"> <li>Allegations of misconduct, violations of civil rights and liberties</li> <li>Program review</li> </ul>
<b>TRANSPORTATION SECURITY ADMINISTRATION</b>
<b>Office of Human Capital</b> <ul style="list-style-type: none"> <li>Identification of risks and sensitivities for position descriptions</li> <li>Documentation, management of formal disciplinary actions (Office of Human Capital Employee Relations)</li> </ul>
<b>Personnel Security Division</b> <ul style="list-style-type: none"> <li>Personnel security management</li> <li>National security clearances</li> </ul>
<b>Office of Inspection</b> <ul style="list-style-type: none"> <li>Allegations of misconduct</li> <li>Program review</li> </ul>
<b>Office of Professional Responsibility</b> <ul style="list-style-type: none"> <li>Allegations of misconduct by senior-level employees, law enforcement officers</li> <li>Standardization and fairness of disciplinary actions</li> </ul>
<b>Office of Civil Rights and Liberties</b> <ul style="list-style-type: none"> <li>Allegations of violations of civil rights and Equal Employment Opportunity standards</li> </ul>
<b>Office of Civil Rights and Liberties Ombudsman</b> <ul style="list-style-type: none"> <li>Mediation for TSA personnel and programs</li> </ul>

Source: OIG analysis.

<sup>2</sup> Consistent with Federal laws and regulations, and DHS and TSA policy.

<sup>3</sup> Reciprocity occurs when a department or agency accepts an active clearance granted to an individual by a previous department or agency.



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#### Federal Government Positions Require Risk and Sensitivity Designations

All Federal Government positions require risk and sensitivity designations. According to DHS policy, “[t]he risk level is based on an overall assessment of the damage that an untrustworthy individual could cause to the efficiency or the integrity of DHS operations.”<sup>4</sup> Risk levels for DHS employee positions are determined by the program official with hiring authority and the component’s human capital and personnel security offices.<sup>5</sup> Sensitivity designations determine the level of public trust or access to national security information a position requires. DHS guidance requires a component’s sensitivity designations to be made by “the supervising official with sufficient knowledge of duty assignments,” subject to final approval by the component’s Chief Security Officer.<sup>6</sup>

The Office of Personnel Management (OPM) provides guidance, training, and a Job Analysis Tool to assist department and agency human capital officials analyze each Federal position for risks and sensitivities; required knowledge, skills, and abilities; and the appropriate pay grade or pay band.<sup>7</sup> TSA policy requires that each Job Analysis Tool identify risk and sensitivity designations and the competencies required for each employee position.<sup>8</sup>

#### TSA Personnel Security Process Is Guided by Federal Law, DHS, and TSA Policy

The position description, which results from analysis of job risks and sensitivities, determines how extensive a background investigation is required, what information must be obtained, and what criteria are used to adjudicate eligibility for employment. Although OPM authority for excepted service positions is more limited than for competitive service positions, Federal laws, DHS policies, and TSA policies require adherence to many OPM personnel security standards. For example, standards for national security clearances apply to excepted service employees and contractors, as well as competitive service employees. OPM shares oversight authority for national security clearances, including the application of security clearance reciprocity between Federal departments and agencies, with the Office of the Director for National Intelligence (ODNI).

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<sup>4</sup> The Department of Homeland Security Personnel Suitability and Security Program, DHS Instruction Handbook 121-01-007, June 18, 2009, p. 14.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid., p. 20.

<sup>7</sup> <http://www.opm.gov/hiringtoolkit/docs/jobanalysis.pdf>,  
<http://www.opm.gov/investigate/resources/position/Introduction.aspx>.

<sup>8</sup> “Policy on Determining Position Sensitivity Designations For All TSA Positions,” TSA Human Capital Management Policy Number 731-1, August 11, 2008, p. 4.



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The *Intelligence Reform and Terrorism Prevention Act* (IRTPA) of 2004 and subsequent Executive Orders established the following Federal personnel security standards for timeliness, reciprocity, and case tracking:

- **Timeliness:** IRTPA requires 90 percent of national security background investigations to be completed within 40 days, and adjudication of these background investigations to be conducted within 20 days.<sup>9</sup> Most TSA background investigations are conducted by OPM or its contractors, and adjudications are conducted by TSA's Personnel Security Division (PSD).
- **Reciprocity:** IRTPA and Executive Order 13381 encourage Federal departments and agencies to apply reciprocity to background investigations conducted by other Federal departments and agencies.<sup>10</sup> Executive Order 13467 encourages agencies to accept favorable adjudications of investigations as well.<sup>11</sup> There are exceptions to reciprocity when the receiving department or agency's mission requires more stringent criteria—for example, a polygraph requirement or less tolerance for bad debt—than the sending department or agency.<sup>12</sup>
- **Case Tracking:** IRTPA requires Federal departments and agencies to establish an integrated database that tracks background investigations and adjudications.<sup>13</sup> To meet this requirement, OPM upgraded its database to enable applicants to complete background investigation forms electronically, provide the results to departments and agencies electronically, and track the outcome of adjudicative decisions. ODNI maintains a database, Scattered Castles, which enables departments and agencies to document and verify an individual's clearance level and whether the individual is authorized access to Sensitive Compartmented Information (SCI).<sup>14</sup> Most DHS components meet case tracking requirements through the Integrated Security Management System, which transfers information to and from the OPM and ODNI

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<sup>9</sup> P.L. No. 108-458 § 3001 (2004).

<sup>10</sup> P.L. No. 108-458 § 3001 (2004); Executive Order 13381, "Strengthening Processes Relating to Determining Eligibility for Access to Classified National Security Information," June 27, 2005.

<sup>11</sup> Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information," June 30, 2008; Intelligence Community Policy Guidance [ICD] Number 704.4, "Reciprocity of Personnel Security Clearance and Access Determinations."

<sup>12</sup> Memorandum from DHS Chief Security Officer to DHS component Chief Security Officers, "Department of Homeland Security Reciprocity Guidelines," June 22, 2010.

<sup>13</sup> P.L. No. 108-458 § 3001 (2004).

<sup>14</sup> Intelligence Community Policy Guidance Number 704.5, *Intelligence Community Personnel Security Database, Scattered Castles*, October 2, 2008.



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databases. TSA plans to begin using the Integrated Security Management System in calendar year 2012.

#### Internal Controls Are as Essential as Background Investigations

Background investigations are essential to security, but personnel are only reinvestigated after 5 years for Top Secret access, 10 years for Secret access, or when job requirements change to require increased access. Internal control measures are therefore critical to effective oversight of personnel. The Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* provides five standards for effective internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communications; and (5) Monitoring.<sup>15</sup> For example, elements of an effective Control Environment include managerial integrity and ethical values, commitment to competence, and sound human capital policies and practices.<sup>16</sup> Examples of effective Control Activities include performance reviews, controls over information processing, and segregation of duties.<sup>17</sup> Additional information on internal control is provided in appendix D. As noted in figure 1, several TSA offices, including the Office of Inspection, Office of Civil Rights and Liberties (OCRL), and Office of Human Capital (OHC) Employee Relations, monitor internal control for TSA programs and personnel.

#### **Many Legacy TTAC Positions Are Designated as High Risk and Top Secret Sensitivity**

Two programs within TTAC were established to conduct case-specific evaluation of threats to transportation security, and are therefore critical to national security and the integrity of DHS operations. The Secure Flight Operations Center (Secure Flight) uses the Federal Government's consolidated terrorist watch list to identify potential threats from travelers for all flights into, out of, and over the United States.<sup>18</sup> Secure Flight Analysts (SFAs) require a Top Secret national security clearance and access to SCI information to assess potential matches to the Government's consolidated terrorist watch list. The Security Threat Assessment Operations Adjudication Center (Adjudication Center) screens transportation workers against information in national security, immigration, and criminal databases. Most staff at the Adjudication Center

<sup>15</sup> GAO/AIMD-00-21.3.1 (November 1999).

<sup>16</sup> *Ibid.*, pp. 8–9.

<sup>17</sup> *Ibid.*, pp. 12–18.

<sup>18</sup> Secure Flight Program; Final Rule, 73 Fed. Reg. 64018-64066 (Oct. 28, 2008).



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require a Secret clearance. Security clearance requirements for the remaining staff, listed in figure 2, range from Top Secret with SCI access for technology staff to Secret for administrative staff.

**Figure 2: Functions and Status of Legacy TTAC**

<p><b>Secure Flight</b> (Annapolis Junction, MD, and Colorado Springs, CO)</p> <ul style="list-style-type: none"> <li>Provides passenger consolidated terrorist watch list matching for all flights into, out of, and over the United States.</li> </ul>
<p><b>Adjudication Center</b> (Herndon, VA)</p> <ul style="list-style-type: none"> <li>Screens transportation workers against information in national security, immigration, and criminal databases.</li> </ul>
<p><b>Vetting Operations</b> (Colorado Springs, CO)</p> <ul style="list-style-type: none"> <li>Vets transportation workers against terrorism and intelligence information.</li> </ul>
<p><b>Technology</b> (Annapolis Junction, MD)</p> <ul style="list-style-type: none"> <li>Developed, operates, and maintains the Secure Flight data system, and data systems used for Adjudication Center vetting and credentialing.</li> </ul>
<p><b>TTAC Technology Infrastructure Modernization</b> (Annapolis Junction, MD)</p> <ul style="list-style-type: none"> <li>Developing a replacement data system for the Adjudication Center.</li> </ul>
<p><b>Security Threat Assessment Programs</b> (Arlington, VA)</p> <ul style="list-style-type: none"> <li>Responsible for the Security Threat Assessment process, to include budget, acquisitions/contracts, enrollment, operations, stakeholder and customer coordination/communications, DHS and Office of Management and Budget acquisition program reporting, external agency coordination, rulemaking and regulatory compliance, and congressional communication. Programs include— <ul style="list-style-type: none"> <li>Aviation Credentialing Alien Flight Student Program, Aviation Workers Program, Crew Vetting Program, Federal Aviation Administration Certificate Holders, and other aviation credentialing programs</li> <li>Maritime – Transportation Worker Identification Credential program</li> <li>Surface Credentialing – Hazardous Materials Endorsement Threat Assessment Program, Universal Rule, and Universal Enrollment Services</li> <li>Business requirements for future Security Threat Assessment needs for individuals seeking to work in freight rail, mass transit and passenger rail, as well as other programs requesting vetting as a service by TSA, such as chemical facilities, and ammonium nitrate transport</li> </ul> </li> </ul>
<p><b>Business Management Office</b> (Arlington, VA)</p> <ul style="list-style-type: none"> <li>Provides administrative, financial, acquisition, human capital, and information technology services.</li> </ul>

Source: OIG analysis.

Since 2010, TSA has initiated three restructuring projects that affect TTAC personnel: a balanced workforce initiative; a review of all TSA position descriptions; and a reorganization of TSA offices.

- Balanced Workforce Initiative:** TSA participated in the DHS balanced workforce initiative to determine the proper balance of Federal and



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contractor staff to reduce risks and costs inherent in contracts.<sup>19</sup> As a result, Secure Flight has converted most of its staff to Federal employee positions. While the Adjudication Center conducted an assessment in preparation for conversion, the conversion process has not started as of August 2012.

- **Position Description Review (Desk Audit):** TSA OHC, in consultation with program officials, initiated an administration-wide desk audit to determine whether job titles and pay bands reflect required competencies and authority and responsibility levels accurately.<sup>20</sup> Positions may be downgraded when authorities and responsibilities do not match compensation levels, and after 2 years pay will be reduced. Some positions may be eliminated, for example, for individuals in supervisory positions who do not supervise sufficient staff levels. When positions are eliminated, the incumbent is placed in a resource pool and can be assigned to another office that requires additional staff. TSA, however, does not plan to reduce its overall workforce during this process.
- **Reorganization:** TSA initiated an administration-wide reorganization that dissolved TTAC and reassigned its functions to three TSA Assistant Administrators. The Adjudication Center was assigned to the Office of Law Enforcement/Federal Air Marshal Service (OLE/FAMS), and Programs excluding Secure Flight to the Office of Security Policy and Industry Engagement. The remaining legacy TTAC functions, including Secure Flight, TTAC Technology, Technology Infrastructure Modernization (TIM), and the TTAC Business Management Office (BMO), were assigned to TSA's Office of Intelligence and Analysis. All legacy TTAC functions will remain in their current geographical locations.

## Results of Review

The background investigations of legacy TTAC employees met Federal standards for the quality of adjudicative decisions and reciprocity. Until 2012, however, TSA PSD did not meet Federal timeliness standards, and clearance delays resulted in inefficient management of Secure Flight personnel resources. Both Secure Flight and the Adjudication Center have identified and taken measures to address potential risks to their adjudication programs from human error or insider threats, but limited technological resources and an insufficient number of Federal employees weaken internal controls at the Adjudication Center. Secure Flight's shift schedule and supervisory structure use personnel resources inefficiently. Employees at legacy TTAC

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<sup>19</sup> <http://www.dhs.gov/ynews/testimony/20120329-mgmt-contractors-hsgac.shtm>.

<sup>20</sup> TSA Handbook to Management Directive Number 1100.51-1, July 6, 2011, p. 16.



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are committed to TSA's transportation security mission and seek to fulfill TSA's mandate regardless of these challenges. However, perceptions of favoritism in hiring and management, and unresolved tensions between legacy TTAC functions, hinder achieving a shared mission.

Legacy TTAC employees have made allegations of improper conduct through formal and informal processes, including allegations of poor management practices and violations of Equal Employment Opportunity (EEO) standards. While all employees said they would report national security vulnerabilities, some feared retaliation for raising other concerns. Senior legacy TTAC leaders sought to address allegations of misconduct through training and TTAC BMO's informal internal administrative processes, but efforts were not successful. For example, use of informal administrative processes did not address or expose the extent of workplace complaints and led to internal investigations being managed inappropriately. Employee complaints raised through TSA's formal grievance processes were managed and documented appropriately, but not all employees had sufficient information to access formal redress options. Unaddressed workplace complaints of favoritism, discrimination, and retaliation hinder TSA's efforts to streamline its operational structure and align compensation with appropriate authorities and responsibilities.

#### **Personnel Security Uses Appropriate Standards and Is Improving Timeliness**

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Employees received the appropriate level of background investigations, even though more than half of the Job Analysis Tools for legacy TTAC positions were missing the required risk and sensitivity designations. TSA PSD met Federal, DHS, and TSA standards for adjudicative decisions and for the application of reciprocity. However, until 2012, adjudications were not timely, and delays had negative consequences for TSA's Secure Flight program.

#### **Position Descriptions Missing Job Analysis Tool Risk and Sensitivity Designations**

TSA's *Policy on Determining Position Sensitivity for All TSA Positions* requires that each employee position description Job Analysis Tool include a risk and sensitivity designation, which identifies the level of background investigation necessary.<sup>21</sup> Between 2007 and 2009, TSA OHC reviewed all position descriptions using OPM guidance. However, during our review of position descriptions provided by legacy TTAC BMO, 22 of the 35 Job Analysis Tools were missing risk and sensitivity designations, and were performed before 2008.

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<sup>21</sup> *Policy on Determining Position Sensitivity Designations for All TSA Positions*, TSA Human Capital Management Policy Number 731-1, August 11, 2008, p. 4.



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Although the Job Analysis Tools did not meet TSA standards, our review of personnel security files indicates that employees received background investigations appropriate to duties and required level of access to classified information. Because TSA is conducting desk audits that will result in new position descriptions, we make no recommendations on this deficiency, as any recommendation would be overtaken by these efforts.

#### **Personnel Security Meets Federal, DHS, and TSA Standards for Adjudicative Decisions and Application of Reciprocity**

TSA's personnel security program has adequate internal controls to ensure that adjudicators meet required standards for adjudicative decisions and reciprocity. TSA PSD adjudicators attend personnel security training provided for Federal adjudicators. In addition, adjudicators receive guidance developed by OPM, ODNI, Federal training programs, and DHS, as well as *Aviation and Transportation Security Act*-related guidance specific to TSA. TSA PSD participates in a DHS-led Personnel Security Officers' Working Group, which meets quarterly to discuss changes in laws, regulations, and guidance, and can address any concerns about the quality and timeliness of decisions. The adjudicators we interviewed understood Federal, DHS, and TSA guidance on adjudicative standards and reciprocity. In addition, TSA PSD provides adequate oversight of the adjudicative process, including comprehensive adjudicative checklists and templates, 100 percent review of negative suitability determinations, and 40 percent review of positive determinations.

We reviewed personnel security files of all senior TTAC managers and a sampling of other TTAC employees, and determined that TSA PSD adjudicative decisions met Federal, DHS, and TSA standards. The files were documented appropriately and included current and previous background investigations, as well as reinvestigations conducted by OPM and other authorized Federal departments and agencies. When necessary, adjudicators sought additional information and weighed potentially derogatory issues that would affect suitability for employment, such as the recency and severity of financial or misconduct issues and evidence of rehabilitation. For Top Secret and Secret security clearances, relevant issues such as the potential for foreign influence were also considered.

TSA PSD also met guidelines for reciprocity. When reciprocity was applied, files included necessary documentation, including required Federal forms, Federal Bureau of Investigation fingerprint results, a credit check, and confirmation of a current security clearance from another Federal department or agency. In some instances, such as when an applicant had debt issues, the adjudicator accepted a



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previous background investigation appropriately, but obtained additional information to conduct a new adjudication.

#### **Past Timeliness Issues Have Had a Negative Effect on Secure Flight**

TSA PSD did not meet the timeliness standard for conducting 90 percent of adjudications within 20 days after OPM completed its background investigations until the first quarter of fiscal year (FY) 2012, when personnel and organizational changes improved productivity. Before FY 2012, OPM delays in conducting background investigations and TSA PSD delays in adjudicating the results created a backlog, and cases that should have been completed in 2 months were taking 5 months or longer to complete. As a result, because SFA positions require a Top Secret clearance and SCI access, Secure Flight managers said that SFAs without a clearance could fulfill only a portion of their responsibilities, which placed an additional burden on cleared personnel to perform necessary operational duties.

Secure Flight managers said that TSA PSD did not appear to be actively managing or tracking its background investigations and that continuous followup was necessary to obtain clearances for many employees. In addition, managers were unsure why some employees with Top Secret clearances and SCI access in previous positions were eligible for reciprocity while others were not. Secure Flight managers did note that timeliness had improved recently.

TSA PSD officials agreed that timeliness and case tracking had been problematic, but said they had taken aggressive actions to address the causes. Specifically, in the past TSA hired large groups of employees or contractors quickly, resulting in backlogs for existing programs, but TSA PSD has increased resources to address current and anticipated volume, while ensuring that a new backlog situation is not created in the event of similar hiring spikes in the future. TSA PSD shifted all personnel security responsibilities from contractors to Federal employees and expects to be fully staffed in late FY 2012. Adjudicator productivity goals are more stringent, so each adjudicator is completing more cases. In addition, TSA PSD has integrated the security clearance and SCI access processes better. Conversion to DHS' Integrated Security Management database, scheduled to occur in calendar year 2012, will also improve case management and reporting.

TSA PSD has taken measures to improve timeliness, and in the second half of FY 2012 has established a consistent process to meet Federal timeliness goals for adjudicating background investigations. In the third quarter of FY 2012, adjudications averaged 10 days, and in the fourth quarter adjudications are averaging 11 days. However, TSA PSD cannot control other sources of delay,



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such as backlogged OPM background investigations. TSA PSD could provide programs with more information about which employees are eligible for reciprocity. Improved communication would enable program managers to coordinate the hiring process for employees who require Top Secret clearances and SCI access.

### **Recommendations**

We recommend that the TSA Chief Security Officer:

#### **Recommendation #1:**

Establish a point of contact, email address, or contact number for TSA managers to follow up on the status of employees who require Top Secret and Sensitive Compartmented Information investigations or reinvestigations.

#### **Recommendation #2:**

Provide TSA Assistant Administrators who have employees with pending Top Secret and Sensitive Compartmented Information investigations and reinvestigations with monthly statistics on the number of cases pending, number of days cases have been in the system, and current backlog when applicable.

### **Management Comments and OIG Analysis**

A summary of TSA's written response to the report recommendations and our analysis of the response follows each recommendation. A copy of TSA's response, in its entirety, is included as appendix C.

In addition, we received technical comments from TSA and incorporated these comments into the report where appropriate. TSA concurred with seven recommendations and did not concur with one recommendation in the report. We appreciate the comments and contributions made by TSA.

**Management Response:** TSA officials concurred with Recommendation 1. In its response, TSA said the Personnel Security Section has established a home page on the TSA intranet as the primary source of information for stakeholders requiring information or assistance with security clearance requests or other Personnel Security products and services. In addition to points of contact, email addresses, and phone numbers, the home page provides information regarding Personnel Security forms and documents, reference materials, and Frequently



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Asked Questions. TSA provided copies of the intranet pages. TSA considers this recommendation closed and implemented.

**OIG Analysis:** We consider TSA's actions responsive to the intent of Recommendation 1, which is resolved and closed. No further reporting concerning Recommendation 1 is necessary.

**Management Response:** TSA officials concurred with Recommendation 2. In its response, TSA said that in December 2012, Personnel Security will begin using the DHS electronic Integrated Security Management System to record and manage all background investigation and security clearance information. The data system's functionalities will allow for automatic, timely notifications and updates to stakeholders, as well as to offices within TSA that do not currently have access to Personnel Security information. TSA said that pending final transition to the Integrated Security Management System, interim measures have been implemented to provide case statuses through "tickler" reports. TSA provided examples of recent reports it provides to TSA leadership. TSA considers this recommendation closed and implemented.

**OIG Analysis:** We consider TSA's actions responsive to the intent of Recommendation 2, which is resolved and closed. No further reporting concerning Recommendation 2 is necessary.

### **Secure Flight and the Adjudication Center Have Addressed Some Internal Control Issues, but Additional Changes Could Improve Adjudication Center Program Oversight**

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Both Secure Flight and Adjudication Center staff identified and addressed potential personnel risks to their adjudication functions. For example, Secure Flight developed an effective data system, assigns cases randomly, segregates duties, and provides managerial oversight to mitigate potential risks. The Adjudication Center has mitigated some risks through active oversight of contractors and random case assignments. However, data system deficiencies and an insufficient number of Federal employees to segregate duties potentially increase internal control vulnerabilities at the Adjudication Center.

### **Secure Flight Has Mitigated System and Procedural Security Risks**

According to GAO's *Standards for Internal Control in the Federal Government*, activities such as control over information processing, segregation of duties, accurate and timely recording of transactions and events, and access restrictions



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to and accountability for resources and records are essential to internal control.<sup>22</sup> Secure Flight's procedures and its data system help provide these control activities. Specifically, the volume of records, lead time for vetting, random records assignment, data system audit trails, supervisory oversight, reliance on Federal employees, and segregation of duties all limit potential for insider threat vulnerabilities.

To provide continuity of operations, Secure Flight has two Operation Centers, one in Colorado Springs and one in Annapolis Junction. The Operation Centers are staffed primarily with Federal employees who serve as SFAs, Supervisory SFAs, Customer Support Agents (CSAs), Supervisory CSAs, Watch Managers, and Senior Watch Managers. Records are randomly assigned between the two Operation Centers. The Secure Flight System automatically vets more than 14 million airline passengers each week, from which SFAs manually compare data of more than 54,000 passengers to available Federal Government watch list records. This volume limits the chance that staff can predict which records they will review. The fact that aircraft operators send most passenger data to Secure Flight more than 72 hours before flights depart also makes it difficult for SFAs to predict which shift will vet a given passenger record.

When SFAs compare passenger data to watch list records, they determine whether to clear a passenger or "inhibit" a passenger's ability to print a boarding pass. Inhibiting a passenger requires the traveler to present identification to an aircraft operator employee before being granted a boarding pass. SFAs obtain records to analyze and mark as cleared or inhibited from an automated queue. The Secure Flight data system was designed with audit trails, so the system logs which SFA made each match determination and keeps historical data on previous matches.

Additionally, Supervisory SFAs are assigned to review SFA match decisions and work with Watch Managers and Senior Watch Managers when a particular SFA is improperly clearing or improperly inhibiting records. Because most Secure Flight contract adjudicators were converted to Federal employees through the balanced workforce initiative, Secure Flight oversees the quality and quantity of employee work products directly and can intervene with specific corrective action and training when necessary.

Most adjudications are completed without requiring passenger or aircraft operator employee interactions. When interaction is necessary, Secure Flight

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<sup>22</sup> GAO/AIMD-00-21.3.1, November 1999, p. 12.



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minimizes insider threats by segregating duties, and randomizing the structure of customer support calls and further record vetting. A passenger with an inhibited boarding pass cannot print the boarding pass at home or at an airport kiosk and must speak with an aircraft operator employee and present identification. The aircraft operator employee must call a general Secure Flight number for inhibited passengers, which is routed to the first available CSA in an automated queue of available agents located near one of the two Secure Flight Operation Centers. CSAs have scripted language to verify the caller's authenticity and request additional information about the passenger. The CSA then calls the Operations Center, which routes callers to the next available SFA. The SFA speaks only with the CSA, never with the aircraft operator employee, and places the CSA on hold to determine when the additional information clears a passenger or positively identifies the passenger as a watch list match. The SFA communicates this information to the CSA, who uses scripted language to inform the aircraft operator of what action to take.

#### **Adjudication Center Requires Resources Comparable to Secure Flight**

Adjudication Center officials, who conduct case management review for immigration and criminal checks for security threat assessment programs, have identified and attempted to address risks and security vulnerabilities properly in the work contractors perform. For example, contract staff cannot access adjudication case management systems until they have received a Secret clearance and are trained on the Adjudication Center's standards and the adjudication case management systems. Federal employees limit contractor system access so that only authorized contractors can obtain information and make adjudicative decisions. Cases are assigned on a first-in-first-out basis so that contractors cannot choose which cases they work. The volume of cases—between 5,000 and 7,000 a week for each major credentialing program—also limits the likelihood that any given contractor will be assigned a particular case. Federal employees actively monitor contractor performance, including the quality of adjudicative decisions and the accuracy of workload reports contractors submit.

However, with an insufficient number of Federal employees, the Adjudication Center does not have the same level of internal control as Secure Flight. The balanced workforce initiative has not started at the Adjudication Center, and fewer than 20 Federal employees manage, train, and oversee approximately 50 contractors. Federal employees are also responsible for adjudicating more complex cases. Federal employees routinely work overtime to manage a backlog, which limits the time they have to assume responsibilities for other



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employees on leave. Several employees at the Adjudication Center said that they do not have a backup Federal employee who can cover their work when they are absent.

In addition, Adjudication Center adjudication case management systems do not have the same functionality as the Secure Flight case management system. Without a sufficient number of Federal employees, the Adjudication Center has not been able to segregate duties related to data management to provide internal control. The existing case management systems have limited functionality for audit trails, alerts, and automated reports. Only one Federal official is able to generate the workload and timeliness reports that are provided to DHS and Congress. The manual process by which these reports must be generated is so complex and labor-intensive that no other employees have been trained to provide backup or review. In addition, the Adjudication Center does not have direct access to some DHS data systems, and only one employee is assigned to conduct criminal and watch list systems checks at a nearby TSA facility. The TTAC TIM program plans to replace the existing Adjudication Center case management systems, but we were unable to obtain documentation to determine whether the new case management systems would incorporate the necessary internal control.

### **Recommendation**

We recommend that the Assistant Administrator for the Office of Law Enforcement/Federal Air Marshals:

### **Recommendation #3:**

Provide the Adjudication Center sufficient Federal employees to establish internal control over operations and reporting requirements.

### **Management Comments and OIG Analysis**

**Management Response:** TSA officials concurred with Recommendation 3. In its response, TSA said that it is pursuing efforts to increase the number of Federal employees assigned to the Security Threat Assessment Office.

**OIG Analysis:** We consider TSA's actions responsive to the intent of Recommendation 3, which is resolved and open. This recommendation will remain open pending our receipt of documentation confirming that the



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Adjudication Center has sufficient Federal employees to establish internal control over operations and reporting requirements.

#### **Secure Flight Staffing and Supervisory Structure Is Inefficient**

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Secure Flight’s rotating shift schedule is not aligned with its operational requirements, and its supervisory structure is unnecessarily complex. For example, equally sized teams work each shift, even though fewer employees are needed during off-peak air carrier travel periods. All Secure Flight staff work an overlapping shift 1 day each week, which is an inefficient use of human capital resources. In addition, the Secure Flight supervisory structure limits personal interaction between supervisors and employees. Supervision of CSAs, SFAs, and Watch Managers is divided between the Annapolis Junction and Colorado Springs locations, resulting in supervisors rating employees without firsthand knowledge of their work because a supervisor is in one location, but direct reports are in another.

#### **Secure Flight Rotating Shifts Are Not Aligned With Operational Requirements**

According to GAO guidance, “[i]nternal control should provide reasonable assurance that the objectives of the agency are being achieved in the ... [e]ffectiveness and efficiency of operations including the use of the entity’s resources.”<sup>23</sup> In 2011, Secure Flight managers introduced a shift schedule in which fixed teams of SFAs and CSAs rotate together every 8 weeks to cover 6 shifts. The rotating schedule is not aligned with Secure Flight’s operational requirements. For example, because Secure Flight receives most records from air carriers more than 72 hours before flights depart, the day shift could conduct most vetting within 24 hours of receipt. While Secure Flight watch list vetting requires some real-time interaction with air carrier employees, CSAs on night shifts said that they receive relatively few calls. Even though Secure Flight must be staffed at all times to manage international flights and domestic airports that are open overnight, maintaining the same number of employees on night and day shifts may indicate an unnecessary expenditure of night differential pay.

Moreover, with teams on a 4-day schedule, teams overlap each Wednesday, as half the teams work from Sunday to Wednesday, and half from Wednesday to Saturday. With each team on a 10-hour shift, shifts overlap every day between 6:00 and 6:30 a.m., 1:00 and 4:30 p.m., and 8:00 and 11:00 p.m. Figure 3 shows that on Wednesdays, both teams and shifts overlap. As a result, staff at

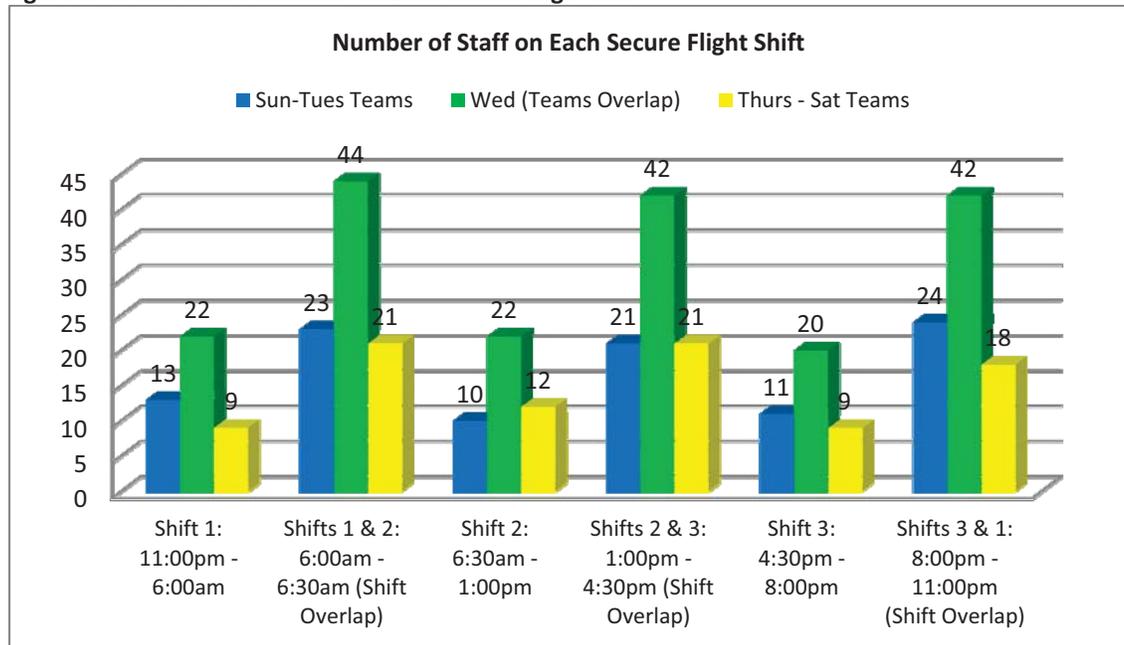
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<sup>23</sup> Ibid., pp. 4–5.



Annapolis Junction said that there is often no place to sit on Wednesdays, and the workload is quickly depleted. Staff who had worked in other operations centers said that some law enforcement and intelligence departments and agencies use this scheduling model to provide staff training time, but SFAs do not require the same level of ongoing physical, operational, or substantive training as these entities. Further, Watch Managers reported having difficulty obtaining permission for staff to take advantage of available free or low-cost training. The overlap of both teams and shifts is, therefore, an inefficient use of human capital resources.

**Figure 3: Number of Personnel on Each Secure Flight Shift**



Source: TSA Secure Flight Operations Center.

### Direct Supervision Could Improve Secure Flight Management

According to GAO guidance, establishing a positive attitude toward internal control and conscientious management requires that management “identify appropriate knowledge and skills needed for various jobs and provide needed training, as well as candid and constructive counseling and performance appraisals.”<sup>24</sup> However, the supervisory structure at Secure Flight limits personal interaction between supervisors and direct reports because supervisors are located at different Operation Centers.

<sup>24</sup> Ibid., p. 8.



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As of July 2012, Supervisory CSAs, SFAs, and Watch Managers supervise staff both locally and remotely. Supervisory Watch Managers fly between the Secure Flight locations to meet with direct reports, but lower level supervisors may not have this opportunity. Many of the employees and supervisors we interviewed said that supervisors cannot rate remotely stationed staff work performance accurately. Some supervisors said that they rely on local second-line supervisors when rating remote direct reports. In addition, Colorado Springs begins each shift 2 hours later than Annapolis Junction, so supervisors must make operational decisions for employees who are not direct reports. While it may be necessary for Senior Watch Commanders to supervise some staff at each location, local supervision for other employees would enable supervisors to assess and counsel direct reports more accurately and efficiently, and improve overall internal control.

#### **Recommendation**

We recommend that the Assistant Administrator for the TSA Office of Intelligence and Analysis:

#### **Recommendation #4:**

Develop a restructuring plan to enhance operational effectiveness in the Secure Flight Operations Center staffing model.

#### **Management Comments and OIG Analysis**

**Management Response:** TSA officials concurred with Recommendation 4. In its response, TSA said that the Secure Flight Operations Center has made significant changes and implemented new programs and schedules to address many of the issues identified. TSA said that these modifications include schedule changes based on employee feedback, structural changes to improve communication and enhance career and role progression, internal and external training programs to support in-position refresher courses and knowledge development opportunities, and more structured use of employee overlap time. TSA provided examples of modifications it has made, which included a training program, career progression goals, and a review of the supervisory structure.

**OIG Analysis:** We consider TSA's actions responsive to the intent of Recommendation 4, which is resolved and open. This recommendation will remain open pending the receipt of documentation confirming that the Secure



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Flight Operations Center has analyzed and addressed the concerns we identified in our report. Specifically, the documentation should include the following:

- Data supporting the conclusion that call volume distribution is relatively consistent across 24-hour periods.
- Data supporting the conclusion that maintaining an equal number of Secure Flight Analysts on each shift, and the night differential pay this entails, is operationally effective.
- Analysis that led to the conclusion that the level of training proposed to justify overlapping work schedules is appropriate to Secure Flight's operational requirements. TSA's response appears to indicate that staff at the Secure Flight Operations Center would be receiving extensive training every second Wednesday. Analysis should include how this level of training compares with that provided to other TSA employees with similar positions, such as adjudicators at the Adjudication Center, and intelligence analysts in TSA's Office of Intelligence and Analysis.
- Organizational charts that demonstrate that the Secure Flight Operations Center has taken measures to reduce the level of cross-site supervision.

### **Legacy TTAC Needs To Develop a Shared TSA Culture**

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Legacy TTAC employees are committed to TSA's transportation security mission and seek to fulfill TSA's mandate regardless of work environment challenges. However, many employees perceive that there is favoritism in hiring practices at legacy TTAC, and that hiring and personnel management decisions are not based consistently on competence, skill, or ability. Legacy TTAC offices have difficulty working cooperatively with each other, and unresolved tensions hinder achieving a shared mission.



### **TTAC Hiring and Management Perceived as Influenced by Favoritism**

According to GAO guidance, “[m]anagement and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.”<sup>25</sup> This includes, but is not limited to (1) integrity and ethical values maintained and demonstrated by management and staff; (2) management’s commitment to competence; and (3) appropriate practices for hiring, orienting, training, evaluating, counseling, promoting, compensating, and disciplining personnel.<sup>26</sup>

Legacy TTAC employees said that they are committed to TSA’s transportation security mission and seek to fulfill TSA’s mandate, regardless of work environment challenges. However, more than 66 percent of the employees we interviewed at Annapolis Junction and TSA headquarters raised concerns about workplace favoritism, or mentioned their personal connections and relationships to TTAC coworkers from prior employment.

Employees said that some senior managers hired staff primarily from the departments, agencies, or industries where they had worked before TSA. Many employees said that hiring and personnel management decisions were based more on personal connections and relationships than on competence, skill, or ability. Further, during the past 4 years some employees with extensive TSA or DHS experience were removed from their positions. Some were not given new job assignments or responsibilities, and had to initiate work from managers in other program areas. Assessing allegations of favoritism is difficult, but the Job Analysis Tools for TTAC demonstrated a pattern of positions written for specific individuals, as identified by a person’s name or initials on the position description. Some of these positions required overly specific qualifications, and some did not identify authorities and responsibilities to justify designated pay band levels.

### **Developing a Shared TSA Culture Would Benefit Legacy TTAC’s Mission**

According to GAO guidance, “[a] good internal control environment requires that the agency’s organizational structure clearly define key areas of authority and responsibility and establish appropriate lines of reporting.”<sup>27</sup> Unresolved tensions between legacy TTAC offices and unclear lines of authority and responsibility have hindered developing a shared mission. The most notable

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<sup>25</sup> Ibid., p. 8.

<sup>26</sup> Ibid., pp. 8–9.

<sup>27</sup> Ibid., p. 9.



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challenge we identified was between TTAC Technology, which built and maintains existing data systems, and TTAC TIM, which is building a replacement data system for the Adjudication Center.

A cooperative relationship between legacy TTAC Technology and TIM is necessary for the Adjudication Center data system replacement projects to attain intended outcomes. Throughout the data system development process, TSA will need to monitor contractors to ensure that technical requirements, including requirements to develop data system internal controls, are met. After the new data system is operational, it will be necessary to phase out existing data systems, and for TTAC Technology to assume operation and maintenance of the new system.

However, TTAC Technology and TIM personnel question each other's competence, skill, and ability, and managers have been unable to agree on authorities and responsibilities between the two programs. In TSA, authority and responsibility for specialized technology functions is limited to technology offices such as the TSA Office of Information Technology and TTAC Technology. TIM is authorized to hire employees only in generalist positions, such as program analyst positions, but TIM officials have been hiring employees with technical backgrounds into program analyst positions in an attempt to develop the data systems without technical expertise from Technology. Several TSA officials expressed concern about TIM's ability to conduct contract oversight without an effective working relationship with Technology. Although a portion of the TIM database is projected to be operational in calendar year 2013, we could not identify plans to phase out existing data systems or integrate Technology in operating or maintaining the new system.

TSA senior leadership has not established clear lines of authority and responsibility to integrate shared Technology and TIM functions. Several senior managers from legacy TTAC offices said that the previous TTAC Assistant Administrator fostered tension between the two programs by not clearly defining lines of authority and resource allocation. There has also been a history of personal antagonisms between senior managers in the two programs, including an official complaint, and a separate dispute that resulted in one program moving its staff out of a shared workspace. While officials in both programs said that they continue to make efforts to work cooperatively, we are concerned that these attempts to resolve differences are not focused on replacing the Adjudication Center data systems in an efficient and effective manner. A new TIM data system is necessary to address internal control weaknesses in the Adjudication Center's transportation worker vetting and



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credentialing programs. Ongoing active oversight by senior leadership of TSA's Office of Intelligence and Analysis, which assumed responsibility for Technology and TIM after TSA's reorganization, would be prudent to improve planning and implementation efforts.

### **Recommendation**

We recommend that the Assistant Administrator for the TSA Office of Intelligence and Analysis:

#### **Recommendation #5:**

Coordinate with both the Director of TIM and the Director of legacy TTAC Technology and oversee the development of the TIM data system and the decommissioning of legacy TTAC data systems.

### **Management Comments and OIG Analysis**

**Management Response:** TSA officials concurred with Recommendation 5. In its response, TSA said that at the direction of the Assistant Administrator for the Office of Intelligence and Analysis, senior managers from TIM and Technology initiated a plan to put protocols in place that will ensure that the two Divisions maximize the resources in both organizations and effectively support the successful design and development of the TIM system. TSA said that to a great degree, the plan will follow the model successfully applied to other design, development, and implementation efforts. In addition, TSA said that the Assistant Administrator for the Office of Intelligence and Analysis chairs a monthly Executive Steering Committee Review, a monthly Program Management Review, and biweekly teleconference calls. These measures enable key DHS and TSA stakeholder organizations to provide input and oversight during the development of the TIM system.

**OIG Analysis:** We consider TSA's actions responsive to the intent of Recommendation 5, which is resolved and open. TSA should provide quarterly progress reports, and we will close this recommendation when the TIM data system has been implemented and legacy TTAC data systems decommissioned.

### **Poor Managerial Practices at Legacy TTAC Must Be Addressed**

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Legacy TTAC employees have made allegations of improper conduct through formal and informal channels. These included allegations of poor management



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practices as well as violations of EEO standards, and some employees feared retaliation for raising such concerns. Senior legacy TTAC leaders sought to address misconduct through training and informal TTAC BMO internal administrative processes, but efforts were not successful. The use of informal administrative processes did not address or expose the extent of workplace complaints and led to inappropriately managed internal investigations. Employee complaints raised through TSA's formal grievance processes were managed and documented appropriately, but not all employees had sufficient information to access formal redress options.

### **Pattern of Allegations Regarding Inappropriate Human Capital Practices**

According to GAO guidance, human capital practices are a factor in effective internal control, and include "establishing appropriate practices for hiring, orienting, training, evaluating, counseling, promoting, compensating, and disciplining personnel."<sup>28</sup> As noted in figure 4, we obtained testimony or documentary evidence that indicates weaknesses in each of those areas in legacy TTAC. The type and extent of difficulties vary, and challenges differ between offices. For example, some offices trained and supervised contracting officer representatives adequately, and other offices did not. However, all offices have been affected to some degree by weak human capital practices.

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<sup>28</sup> Ibid.



**Figure 4: Weaknesses in Human Capital Practices**

<p><b>Hiring</b></p> <ul style="list-style-type: none"> <li>• Favoritism in hiring former colleagues from certain departments, agencies, and industries</li> </ul>
<p><b>Orienting</b></p> <ul style="list-style-type: none"> <li>• Contracting officer representatives without adequate training and supervision</li> </ul>
<p><b>Training</b></p> <ul style="list-style-type: none"> <li>• Unequal access to professional development through training and details</li> </ul>
<p><b>Counseling</b></p> <ul style="list-style-type: none"> <li>• Inappropriate informal or open-ended disciplinary measures</li> <li>• Reprimands for individuals in front of their peers or subordinates</li> <li>• Low performance ratings not tied to documentation or counseling</li> <li>• Failure to counsel individual employees for consistently poor performance</li> <li>• Criticism of whole teams instead of counseling individuals on persistent errors</li> </ul>
<p><b>Promoting</b></p> <ul style="list-style-type: none"> <li>• Promotions that displace an incumbent without a performance-related reason</li> <li>• Reorganization to promote staff without open competition</li> </ul>
<p><b>Compensation</b></p> <ul style="list-style-type: none"> <li>• Different salaries and raises for comparable experience and performance</li> <li>• Misapplication of Federal cost-of-living locality supplements</li> <li>• Failure of supervisors to submit required paperwork for pay increases</li> </ul>
<p><b>Discipline</b></p> <ul style="list-style-type: none"> <li>• Avoidance of formal disciplinary processes</li> <li>• Encouraging employees to file complaints against individuals out of favor with management</li> </ul>

Source: OIG analysis.

**Pattern of Allegations of Workplace Bullying and Hostile Work Environment**

According to GAO guidance, one factor in effective internal control is “the integrity and ethical values maintained and demonstrated by management and staff.”<sup>29</sup> GAO notes that the quality of management plays a key role in “setting and maintaining the organization’s ethical tone, providing guidance for proper behavior, removing temptations for unethical behavior, and providing discipline when appropriate.”<sup>30</sup> Through interviews with employees and TSA and DHS officials involved in civil rights and EEO grievance processes, and a review of pertinent documents, we determined that employees have made allegations of misconduct through formal and informal processes. These allegations include workplace bullying, a hostile work environment, and discrimination based on gender, race, religion, age, and disability. Allegations also involve difficulty

<sup>29</sup> Ibid., p. 8.

<sup>30</sup> Ibid.



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obtaining reasonable accommodation for medical conditions, and supervisors who did not protect the privacy of employees with medical conditions.

Some legacy TTAC employees told us they had witnessed or experienced such misconduct, but had not reported it because they believed there would be retaliation or damage to their careers. Some employees said that they faced retaliation when raising questions about management decisions, defending their colleagues or subordinates who had raised such questions, or after filing a formal or informal complaint. We determined many of these allegations to be credible, based on specific detail, corroborating testimony, and documentation. Notably, even employees who raised concerns about retaliation said that they would not hesitate to report national security vulnerabilities, regardless of the consequences.

#### **TTAC Leadership Sought to Address Deficiencies Through Training**

Senior legacy TTAC leadership was aware of many allegations related to improper supervisory practices and EEO violations, and sought to address these deficiencies through training. TTAC employee training sessions on EEO and diversity were held in 2009, 2010, and 2011. Team-building training was provided in 2011 to a TTAC office with the highest incidence of EEO complaints. In addition, there was leadership training for managers and team leads in 2011, and in March 2012 more supervisory training was provided. Given that incidents have continued since those trainings, we conclude that training has had little effect on changing behavior or improving improper supervisory practices.

#### **TTAC BMO Did Not Address or Expose the Extent of Worksite Problems**

TTAC BMO internal administrative processes were also used to informally address complaints. TTAC employees were told to raise complaints with TTAC BMO rather than directly with TSA's OCRL, OHC Employee Relations, or the Ombudsman. This informal process led to confusion about the status of complaints, as TTAC BMO's record-keeping system does not provide requisite specificity and formal operating procedures. In addition, TTAC BMO employees are not required to have competency or formal training to address allegations of misconduct. As a result, in at least two cases, internal investigations were managed inappropriately. In contrast, employee complaints raised through TSA formal processes, such as TSA OCRL, were managed and documented appropriately.



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### Some TTAC Employees Are Unaware of Official Administrative and Judicial Remedial Processes

TSA is required by law to [m]ake “written materials available to all employees ... informing them of the variety of ... administrative and judicial remedial procedures available to them and prominently post[ing] such written materials in all personnel and EEO offices and throughout the workplace.”<sup>31</sup> According to TSA policy, the only way to file an EEO complaint is for employees to communicate directly with TSA OCRL. Although information on formal remedial procedures is available through internal TSA websites that handle complaint processes, we did not observe TSA OCRL or Ombudsman materials posted in Annapolis Junction common areas. In addition, some TTAC employees were unaware of the official complaint process, how to contact TSA’s OCRL, the Ombudsman, or OHC Employee Relations, or where to direct complaints or grievances about employment issues.

We identified multiple cases of TTAC employees who called or wrote to TTAC BMO with EEO and other workplace allegations, which TTAC BMO should have, but did not, refer to official TSA processes. In some cases, TTAC employees believed that these calls or written allegations constituted a formal complaint that would be investigated by an official body, such as TSA’s OCRL, OHC Employee Relations, or Office of Inspection. Employees who reported allegations to TTAC BMO expressed frustration after being told that the matter was investigated and closed, with no other information available.

Based on interviews with and document requests to TSA’s OCRL, the Ombudsman, and Office of Inspection, we determined that these offices did not receive most of the allegations employees believed had been referred by TTAC BMO to an official TSA process. By law, TSA OCRL documents all pre-complaints (initial contacts with employees about workplace concerns or allegations), regardless of merit or whether the employee files a formal complaint.<sup>32</sup> TSA OCRL officials explained that a BMO referral of an allegation would have been documented as part of the pre-complaint process. TSA OCRL’s pre-complaint and complaint records indicate that no TTAC BMO EEO allegations were referred. TTAC BMO should have reported allegations related to EEO or discriminatory practices to TSA’s OCRL or OHC Employee Relations. Many of the allegations submitted to TTAC BMO involved senior-level employees in K and L Band (General Schedule-15 equivalent) positions.

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<sup>31</sup> 29 C.F.R. §1614.102(b)(5).

<sup>32</sup> 29 C.F.R. 1614.104.



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#### Managing EEO Complaints Requires Human Resource Specialists and EEO Counselors With Specific Training

According to GAO guidance, significant events should be authorized and executed only by persons acting within the specific scope of their authority.<sup>33</sup> None of the Job Analysis Tools for TTAC BMO employees required specific competency for handling EEO complaints. TTAC BMO employees who handle employee complaints described their positions as Human Capital Management or Human Resources, but were hired in program analyst positions. TTAC employees, including TTAC BMO employees, cited examples of inappropriate counseling and advice from TTAC BMO staff. Specifically, when some employees raised EEO issues, TTAC BMO staff counseled employees to speak with their manager and coached employees on what to say, asked employees if they could prove their claim, or encouraged employees not to file because there would be no benefit and the employee would “stir things up.”

TSA OCRL officials said that TSA designates EEO counselors who are responsible for handling field office EEO issues. TSA provides these counselors with specific training on how EEO allegations should be handled and the scope of their job duties. In contrast, TTAC BMO employees are not required to have any specific knowledge, competency, or training in handling or referring EEO allegations. As a result, TTAC BMO employees are acting outside the specific scope of their authority by taking EEO complaints and counseling employees.

Although effective internal control requires segregating duties and responsibilities, two key duties of TTAC BMO have not been segregated appropriately.<sup>34</sup> For example, employees contact TTAC BMO staff about EEO allegations, and TTAC BMO also assists in TSA’s defense against formal EEO complaints. When an official EEO complaint is filed, TSA OCRL contacts TTAC BMO for assistance in processing those complaints by gathering documents and coordinating the official program management response. TTAC BMO staff said they assisted TSA management during EEO mediations “in an HR capacity.” TTAC BMO staff also acknowledged removing documents submitted by management that they perceived to be irrelevant, and advised managers about their responses before forwarding documents and responses to TSA’s Office of Chief Counsel for review. To minimize the appearance of bias and the risk of error or potential fraud, the duty to defend TSA management, who are subject to

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<sup>33</sup> GAO/AIMD-00-21.3.1, November 1999, p. 14.

<sup>34</sup> Ibid.



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investigation, and the duty of accepting and referring TSA employee allegations, should be segregated among different position descriptions.

#### TTAC BMO Has Conducted Inappropriate Internal Investigations

According to GAO guidance, control environments should include sound human capital policies and practices, to include appropriate practices for disciplining personnel.<sup>35</sup> TTAC BMO has conducted its own investigations of complaints and allegations among TTAC staff. In one case, a former TTAC Assistant Administrator assigned a subordinate K Band in TTAC BMO to review and make recommendations about a dispute between two higher graded L Band managers within TTAC. The K Band official did not receive training or guidance on conducting an administrative investigation, and the employee's investigative report resulted in disciplinary action for one senior L Band official. To ensure that both the fact-finder and the employees are treated fairly and to minimize the appearance of bias or undue influence, this type of review and recommendation is handled best by an objective and trained third party from a separate office.

In another internal investigation, which involved a pattern of alleged civil rights violations by a senior TTAC manager, several senior TTAC program officials believed that a formal complaint they raised with TTAC BMO had been reported through appropriate channels and would result in an official investigation. The TTAC program officials said that they decided the complaint should be formal, and described the formal process they followed as drafting a written complaint, encrypting it, sending it to TTAC managers, and providing evidence and statements from other senior TTAC officials to TTAC BMO. The senior program officials who raised the issue believed that a TSA investigation had been conducted. However, TTAC BMO did not refer the complaint or the individuals involved to TSA's OCRL or the Ombudsman. TSA OCRL officials were unaware of the case, but noted that its description would merit an investigation as "management misconduct."

#### TTAC BMO Record Keeping Is Not Detailed Sufficiently

As GAO identified in guidance, internal control activity includes clear documentation of significant events, which should be readily available for examination, properly managed, and maintained.<sup>36</sup> TTAC BMO's documentation

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<sup>35</sup> Ibid., p. 9.

<sup>36</sup> Ibid., p. 15.



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of the allegations it receives is not detailed sufficiently and is incomplete. In response to a request for copies of allegations TTAC BMO received from staff, TTAC BMO provided us an informal one-page list of allegations and referrals that did not—

- Consistently list both the complainant and the accused employee;
- Include a specific or detailed description of the allegations;
- Document whether the issue was referred to another office;
- Track resolution or any final disposition of the complaint; or
- Track whether any resolution or disposition was communicated to the parties involved.

Although we requested that TTAC BMO officials provide us with copies of investigations they initiated, TTAC BMO did not provide any investigative reports. Due to insufficient legacy TTAC employee knowledge of formal complaint processes and poor record keeping by TTAC BMO, it was difficult to determine the extent and resolution of worksite allegations. Furthermore, because TTAC BMO did not report EEO complaints, interfered during the formal EEO complaint process, and managed allegations of discrimination by senior-level employees internally, it did not address nor expose the extent of worksite misconduct at legacy TTAC offices.

### **Complaints From Legacy TTAC Employees Should Be Referred to TSA's Formal Processes**

In contrast, TSA's formal processes for investigating allegations of misconduct and discriminatory practices are professional, responsive, and transparent. TSA's Office of Inspection, Office of Professional Responsibility, OCRL, and OHC Employee Relations manage TSA's formal processes. These offices responded quickly and comprehensively to our requests for interviews and documents, including documentation of their inspections and investigations. The records we reviewed indicate that investigations were thorough, balanced, and documented appropriately.

Although each TSA office that handles formal complaint processes has a website on the TSA intranet, the websites are not linked to each other. As a result, employees would need to know specific search terms or TSA's organizational structure to locate relevant websites. TSA has not compiled a website or brochure to guide employees through all available redress options, eligibility to file complaints, complaint processes, or direct contact information.



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Channeling legacy TTAC complaints, allegations, and disciplinary actions through these TSA formal processes for a minimum of 2 years is prudent, and would enhance transparency and resolution. Reliance on formal processes and centralized tracking systems would provide TSA senior management with information on the extent and sources of persistent workplace misconduct. Centralized oversight would also assist the three TSA Assistant Administrators who will manage legacy TTAC employees to understand and address the underlying causes of personnel challenges.

### **Recommendations**

We recommend that the TSA Administrator:

#### **Recommendation #6:**

For a minimum of 2 years, direct legacy TTAC offices to refer all personnel-related complaints, grievances, disciplinary actions, investigations, and inspections to appropriate TSA or DHS offices with primary oversight responsibility.

#### **Recommendation #7:**

Provide employees a Know Your Rights and Responsibilities website and brochure that compiles appropriate directives on conduct, processes, and redress options.

### **Management Comments and OIG Analysis**

**Management Response:** TSA officials concurred with Recommendation 6. In its response, TSA said that any matter affecting a TTAC legacy office, relating to complaints, grievances, disciplinary/adverse actions, investigations, or inspections, will be handled and resolved under the provisions outlined in TSA management directives and policies. TSA said that in accordance with these directives, responsibility for certain actions resides within the employee's management chain. TSA said that in such limited instances, the restructuring, including changes in management personnel, ensures fair and impartial handling of such actions. Measures outlined in TSA's Response to Recommendation 7 provide additional means of safeguarding employee rights. Further, the time limitation noted in the recommendation is not necessary, as it implies that the related directives and policies would not apply. TSA said that the provision of



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the directives and policies is in effect indefinitely for all TSA employees, including employees in the legacy TTAC offices.

**OIG Analysis:** We consider TSA’s actions responsive to the intent of Recommendation 6, which is resolved and open. This recommendation will remain open pending confirmation that TSA has implemented our recommendation as written, or has revised its management directives, policies, incident reporting methodologies, and oversight sufficiently to provide transparent formal processes, centralized tracking systems, and centralized oversight for all TSA employees. The policies, guidance, and incident reporting processes in place for legacy TTAC employees during our review, which concluded after TSA reorganized, were not sufficient to address or expose the extent of workplace problems. Should TSA place legacy TTAC employees under the oversight of the Office of Professional Responsibility, as was done for Federal Air Marshals following our January 2012 report, *Allegations of Misconduct and Illegal Discrimination and Retaliation in the Federal Air Marshal Service*, OIG-12-28, this action would be sufficient to close our recommendation. While we commend TSA’s interest in improving its processes for all its employees, poor managerial practices for legacy TTAC employees hinder the complaint reporting process and should be addressed promptly.

**Management Response:** TSA officials concurred with Recommendation 7. In its response, TSA said that the Office of Civil Rights and Liberties, Ombudsman and Traveler Engagement would collaborate with all relevant offices to assess the current informational medium to implement direct access to pertinent information for all employees on their rights and responsibilities. TSA said that the Office of Civil Rights and Liberties would implement a new “Know Your Rights and Responsibilities” website and brochure that would compile appropriate directives on conduct, eligibility to file complaints, complaint processes, direct contact information, and redress options, with final action to be completed on November 22, 2012.

**OIG Analysis:** We consider TSA’s actions responsive to the intent of Recommendation 7, which is resolved and open. This recommendation will remain open pending our receipt of the brochure and review of the TSA website.

### **The Appearance of Fairness and Accountability Is Necessary for TSA’s Restructuring Initiative**

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TSA is restructuring to streamline its operations. This effort is intended to align intelligence, law enforcement, and policy functions better, and to ensure that



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employee titles and pay bands reflect job authorities and responsibilities properly. Employment practices in legacy TTAC offices, however, leave TSA exposed to grievances that could undermine these reforms. Specifically, irregular managerial practices and a pattern of past grievances could result in additional complaints of favoritism, discrimination, or retaliation.

#### **TSA Undergoing Workplace Realignment**

TSA is undergoing a major reorganization to streamline its organizational structure. Aligning legacy TTAC's intelligence, law enforcement, and policy functions with the Office of Intelligence and Analysis, OLE/FAMS, and Office of Security Policy and Industry Engagement, respectively, is intended to create efficiencies and improve integration and communication. TSA's desk audit, to ensure that employee titles and pay bands reflect job authorities and responsibilities properly, is intended to promote fairer and more uniform compensation. We consider these reforms necessary and appropriate.

#### **Legacy TTAC Employee Concerns About Fairness Should Be Addressed**

Legacy TTAC employment practices, including allegations of favoritism and EEO violations, as well as a practice of removing job responsibilities from employees, leave TSA exposed to grievances from employees who have been transferred or downgraded. Multiple credible grievances could undermine reforms. More than 50 percent of the employees we interviewed believe that favoritism affects management decisions, and several identified changes in supervisory relationships during the initial stages of TSA's reorganization that they believed were influenced by favoritism. Employees who have been removed from positions and not assigned new responsibilities are vulnerable to demotion during desk audits, as their duties, authorities, and responsibilities would not justify their pay band. Employees who raised concerns about management decisions, contracting practices, or EEO violations could reasonably perceive reassignment or demotion as a form of retaliation for their roles as complainants or whistleblowers.

TSA should take measures to ensure that the restructuring process is fair for employees of legacy TTAC, and is perceived as transparent. Establishing an independent review panel whose members do not have a prior relationship with legacy TTAC could address concerns about fairness in staffing decisions during the reorganization and desk audits. The panel should report to the Office of the TSA Chief Human Capital Officer so that the three TSA Assistant Administrators who have assumed responsibility for legacy TTAC can remain impartial.



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Current and former legacy TTAC employees could request an independent review of reassignment or demotion to a lower pay band. Employees who worked at legacy TTAC from September 2009, when legacy TTAC employees first raised concerns about management practices with members of Congress, should be eligible to request review. Eligibility to request review should continue until the current TSA-wide desk audits and reorganizations are complete, and employees have sufficient information about how their final placements will likely affect their roles and responsibilities. Aggregating cases may enable TSA to identify patterns or practices of unfair decisions. More important, creating an independent review panel would promote objective and defensible decisions.

### **Recommendation**

We recommend that the TSA Chief Human Capital Officer:

#### **Recommendation #8:**

Establish an independent review panel reporting to the Office of the Chief Human Capital Officer through which legacy TTAC employees may request a review of desk audits and reassignments.

### **Management Comments and OIG Analysis**

**Management Response:** TSA did not concur with Recommendation 8. In its response, TSA said that it did not concur because multiple levels of controls in existing policy and procedures ensure independence and objectivity in the classification process. TSA provided specific information on these processes, including appeal processes. TSA said that it disagreed with the concept of a separate process specifically for legacy TTAC employees that would not be extended to other staff, as this would be an unequal application of position management and classification rules without legitimate cause, and would create an additional, unnecessary layer of review on top of avenues of review already in place. TSA believes its existing management directive and associated handbook afford legacy TTAC and all other affected employees fairness and equity in position management and classification.

**OIG Analysis:** This recommendation was redirected from the TSA Administrator to the TSA Human Capital Officer. We consider TSA comments not responsive to the intent of Recommendation 8, which remains unresolved and open. Our recommendation was based on several issues which, taken together, leave TSA exposed to grievances that could undermine its restructuring initiative. We



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determined that legacy TTAC employment practices included widespread perceptions of favoritism in hiring and promotion, perceptions of retaliation against employees who raised concerns about management decisions and EEO violations, and past practices of removing job responsibilities from employees without cause. In addition, we noted that changes in supervisory structures that have taken place in the reorganization process have effectively resulted in promotions and demotions without a transparent process to compete for positions. In these circumstances, a desk audit based solely on classification rules would not address the underlying reasons that employees have been moved to a lower pay band.

Therefore, we anticipate that many employees could file EEO grievances based on credible concerns about past discriminatory practices and retaliation that left them vulnerable in the restructuring process. TSA has in other circumstances changed redress options for certain employees to address past personnel issues, for example for Federal Air Marshals following our January 2012 report, *Allegations of Misconduct and Illegal Discrimination and Retaliation in the Federal Air Marshal Service*, OIG-12-28. This recommendation will remain unresolved and open until TSA establishes an independent review panel or comparable process through which legacy TTAC employees may request a review of desk audits and reassignments.

## Conclusion

Although TSA has instituted some oversight measures for personnel in legacy TTAC, there are weaknesses that must be addressed to reduce inefficiencies and employee misconduct, and limit the risk of insider threats. TSA PSD met Federal and departmental standards for adjudicating background investigations and applying reciprocity, but the lengthy process had a negative effect on the Secure Flight program. Secure Flight and the Adjudication Center have assessed internal control risks, but the Adjudication Center does not have the resources to mitigate some risks.

Inefficient management structures and unclear lines of authority and responsibility hinder some legacy TTAC programs, and legacy TTAC officials have not addressed patterns of poor management and misconduct. Legacy TTAC employees have made credible allegations of violations of EEO standards and retaliation for raising concerns about management practices, but the extent of misconduct is not addressed or exposed because legacy TTAC BMO does not report allegations to appropriate TSA authorities. These weaknesses leave TSA vulnerable to grievances as it reforms its personnel positions and organizational structure. For the reforms to attain intended outcomes,



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TSA should provide more information about formal complaint processes to legacy TTAC employees and offer them a review process for transfers and position downgrades that they will perceive as objective, fair, and transparent.



## **Appendix A**

### **Objectives, Scope, and Methodology**

The DHS Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

We initiated this review to evaluate TSA's oversight of personnel at legacy TTAC. Our objectives were to determine whether legacy TTAC employees have (1) position descriptions that reflect authority and responsibility levels accurately; (2) a personnel security screening process that complies with Federal laws, regulations, policy, and guidance; and (3) adequate internal controls on workplace activities.

Our scope was limited to the review of personnel security decisions for legacy TTAC employees. We reviewed only internal controls on TTAC personnel and the data systems they access, not TTAC programs or TTAC stakeholders. Although adjudicators at Secure Flight and the Adjudication Center make decisions on air carrier passengers and workers who require access to transportation infrastructure, our review did not evaluate the quality or timeliness of those decisions. We did not assess legacy TTAC financial decisions or transportation security policies. We also did not assess the Colorado Springs Operations Center, except in the context of the joint management of the Secure Flight Operations Center.

We conducted fieldwork for this report from January to May 2012. We reviewed 75 TTAC personnel security files; 21 Office of Inspection files that involved legacy TTAC programs; 2 OHC files that involved disciplinary issues; and 10 OCRL files that involved EEO complaints. We also reviewed documentation that TSA provided to Congressman Bennie Thompson.

We interviewed more than 80 legacy TTAC employees, and the TSA Offices of Personnel Security; Human Resources; Professional Responsibility; and Civil Rights and Liberties; the Ombudsman; and Traveler Engagement; as well as the DHS Offices of the Chief Security Officer Personnel Security Division; Human Resources; Civil Rights and Civil Liberties; and the Screening Coordination Office. In addition, we met with OPM and ODNI officials. OPM has oversight authority for Federal personnel security programs, and shares with ODNI oversight authority for national security clearances, including the application of reciprocity between Federal departments and agencies.



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We reviewed more than 400 TSA documents, including Personnel Security laws, regulations, guidance, procedures, and training materials; OHC laws, regulations, guidance, procedures, and training materials; position descriptions and Job Analysis Tools developed for legacy TTAC positions; Office of Professional Responsibility guidance on conduct and disciplinary actions; DHS and TSA Management Directives related to personnel security and internal controls; TSA PSD performance metrics; legacy TTAC laws, regulations, guidance, procedures, training materials, and performance metrics; guidance provided to TSA personnel on conduct, disciplinary actions, and complaint and grievance procedures; and documentation provided by individual employees related to allegations of contracting impropriety and staff misconduct.

We conducted this review under the authority of the *Inspector General Act of 1978*, as amended, and according to the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency.



## **Appendix B**

### **Recommendations**

**Recommendation #1:** Establish a point of contact, email address, or contact number for TSA managers to follow up on the status of employees who require Top Secret and Sensitive Compartmented Information investigations or reinvestigations.

**Recommendation #2:** Provide TSA Assistant Administrators who have employees with pending Top Secret and Sensitive Compartmented Information investigations and reinvestigations with monthly statistics on the number of cases pending, number of days cases have been in the system, and current backlog when applicable.

**Recommendation #3:** Provide the Adjudication Center sufficient Federal employees to establish internal control over operations and reporting requirements.

**Recommendation #4:** Develop a restructuring plan to enhance operational effectiveness in the Secure Flight Operations Center staffing model.

**Recommendation #5:** Coordinate with both the Director of TIM and the Director of legacy TTAC Technology and oversee the development of the TIM data system and the decommissioning of legacy TTAC data systems.

**Recommendation #6:** For a minimum of 2 years, direct legacy TTAC offices to refer all personnel-related complaints, grievances, disciplinary actions, investigations, and inspections to appropriate TSA or DHS offices with primary oversight responsibility.

**Recommendation #7:** Provide employees a Know Your Rights and Responsibilities website and brochure that compiles appropriate directives on conduct, processes, and redress options.

**Recommendation #8:** Establish an independent review panel reporting to the Office of the Chief Human Capital Officer through which legacy TTAC employees may request a review of desk audits and reassignments.



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**Appendix C**  
**Management Comments to the Draft Report**

U.S. Department of Homeland Security  
601 South 12th Street  
Arlington, VA 20598

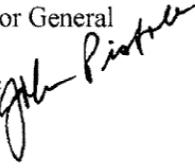


**Transportation  
Security  
Administration**

**OCT 12 2012**

INFORMATION

MEMORANDUM FOR: Charles K. Edwards  
Acting Inspector General

FROM: John S. Pistole   
Administrator

SUBJECT: Transportation Security Administration's (TSA) Response to U.S. Department of Homeland Security (DHS) Office of Inspector General's (OIG) Draft Report Titled *Personnel Security and Internal Control at TSA's Legacy Threat Assessment and Credentialing Office* – For Official Use Only, OIG Project No.12-049-ISP-TSA-A

Purpose

This memorandum constitutes TSA's formal Agency response to the DHS OIG draft report *Personnel Security and Internal Control at TSA's Legacy Threat Assessment and Credentialing Office*. TSA appreciates the opportunity to review and provide comments to your draft report.

Background

In February 2012, OIG began a review of TSA's Personnel Security practices and management controls in the legacy offices of the former Threat Assessment and Credentialing Office (TTAC). OIG's objectives were to determine whether TTAC employees have: (1) position descriptions that reflect authority and responsibility levels accurately; (2) a personnel security screening process that complies with Federal laws, regulations, policy, and guidance; and (3) adequate internal controls on workplace activities. OIG conducted its fieldwork from February 2012 to July 2012.



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### Discussion

TSA welcomes the OIG review of the Personnel Security and legacy TTAC programs. Overall, the OIG recommendations will help TSA to continue to improve and to implement more effective programs. We concur with many of the recommendations and have already taken steps to address them. What follows are TSA's specific responses to the recommendations contained in OIG's report.

**Recommendation #1:** Establish a point of contact, e-mail address, or contact number for TSA managers to follow up on the status of employees who require Top Secret and Sensitive Compartmented Information investigations or reinvestigations.

**TSA Response: Concur.** The Personnel Security Section (PerSec) has established a homepage on the TSA intranet (iShare) as the primary source of information for stakeholders requiring information or assistance with security clearance requests or other PerSec products and services. In addition to points of contact, e-mail addresses, and phone numbers, the homepage provides information regarding PerSec forms and documents, reference materials, and Frequently Asked Questions. Portable Document Format (PDF) screenshots of the PerSec home and contact information pages are attached. TSA considers this recommendation closed and implemented.

**Recommendation #2:** Provide TSA Assistant Administrators who have employees with pending Top Secret and Sensitive Compartmented Information investigations and reinvestigations with monthly statistics on the number of cases pending, number of days cases have been in the system, and current backlog when applicable.

**TSA Response: Concur.** In December 2012, PerSec will begin using the DHS electronic Integrated Security Management System (ISMS) to record and manage all background investigation and security clearance information. ISMS functionalities will allow for automatic, timely notifications and/or updates to stakeholders, as well as to offices within TSA that do not currently have access to PerSec information. Pending final transition to ISMS, interim measures have been implemented to provide case statuses through "tickler" reports. Examples of recent reports provided to TSA leadership are attached. TSA considers this recommendation closed and implemented.

**Recommendation #3:** Provide the Adjudication Center sufficient Federal employees to establish internal control over operations and reporting requirements.

**TSA Response: Concur.** TSA Office of Law Enforcement/Federal Air Marshal Service (OLE/FAMS) is pursuing efforts to increase the number of federal employees assigned to the Security Threat Assessment Office.

**OIG Recommendation #4:** Develop a restructuring plan to enhance operational effectiveness in the Secure Flight Operations Center staffing model.

**TSA Response: Concur.** The Secure Flight Operations Center (SOC) has made significant



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changes and implemented new programs and schedules since the OIG audit was conducted to address many of the areas identified in the audit. These modifications include changes to the schedule based on employee feedback, structural changes to improve communication and enhance career and role progression, internal and external training programs to support in-position refresher courses and knowledge development opportunities, and more structured use of employee overlap time. Specific modifications include:

- The existing schedule was modified to remove the 4-month rotational set that occurred every 2 months due to a switch from front-half to back-half of the week. The schedule was redesigned to ensure a fair and equitable distribution across the workforce of work requiring differential pay. Additionally, the order of the rotation was changed to better address people's natural sleep and rhythm schedules.
- The SOC has implemented a regimented in-position training program. A training matrix was published in August 2012 that identifies training specific to job skills and operations. The SOC will also be implementing a Learning Series to provide refresher training during overlap times by the end of Calendar Year 2012. The SOC implemented a robust and simple shift swap program in April 2012 to support the needs of the workforce for days off, to schedule classes, and have time for other personal matters while still maintaining sufficient operational capacity.
- In August 2012, the SOC announced a new structure and role progression model for analyst positions consistent with the career progression goals of TSA and the Office of Intelligence and Analysis.
- SOC is currently in the final planning phase for a redesign of the Customer Support Agent (CSA) area in the Annapolis Junction Operations Center, which will alleviate overlap spacing issues.
- Distribution of call volume and manual review volume is relatively consistent across a 24-hour period and drives scheduling and staffing in the SOC. While a multitude of scheduling options are used in the Federal Government operations center environment, the Modified 4-3 10 hour schedule used by the SOC supports current operations. The SOC will continue to conduct periodic review of the schedule based on workload and feedback of SOC personnel.
- Regarding the supervisory structure, all analysts have on-site supervision and Watch Managers have either a first- or second-line supervisor co-located with them. There are five CSAs on each team and they are supervised by a single supervisor at one of the locations. Supervisory CSAs conduct bi-annual site visits; regular video teleconference meetings; daily, real-time communications through instant messaging groups; and quality control reviews of calls through the Remedy system. Given the findings, the SOC will explore additional ways to support cross-site supervision or examine alternative supervisory structures for CSAs to determine if there is a better and more efficient method of supervision.

**OIG Recommendation #5:** Coordinate with both the Director of TIM and the Director of legacy TTAC Technology and oversee the development of the TIM database and the decommissioning of legacy TTAC databases.



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**TSA Response: Concur.** At the direction of the Assistant Administrator (AA) for the Office of Intelligence and Analysis (OIA), Technology Infrastructure Modernization (TIM) and Technology Solutions Division (TSD) senior managers initiated a plan to put protocols in place that will ensure the divisions maximize the resources in both organizations and effectively support the successful design and development of the TIM system. To a great degree, it will follow the model successfully applied to other design, development, and implementation efforts.

In addition, the Assistant Administrator for OIA chairs a monthly Executive Steering Committee Review, a monthly Program Management Review, and biweekly teleconference calls. These measures enable key DHS and TSA stakeholder organizations to provide input and oversight during the development of the TIM system.

**Recommendation #6:** For a minimum of 2 years, direct legacy TTAC offices to refer all personnel related complaints, grievances, disciplinary actions, investigations, and inspections to appropriate TSA or DHS offices with primary oversight responsibilities.

**TSA Response: Concur,** except that it is unnecessary to include a 2-year time frame. Any matter affecting a TTAC legacy office relating to complaints, grievances, disciplinary/adverse actions, investigations, or inspections will be handled and resolved under the provisions outlined in TSA management directives and policies. In accordance with these directives, responsibility for certain actions resides within the employee's management chain. In such limited instances, the restructuring, including changes in management personnel, ensures fair and impartial handling of such actions. Additionally, the measures outlined in TSA's Response to Recommendation 7 provide additional means of safeguarding employee rights.

The time limitation noted in the recommendation is not necessary as this implies that after 2 years, the provisions of the related directives and policies will not apply. The provisions of the directives and policies are in effect indefinitely for all TSA employees, including employees in the legacy TTAC offices.

**Recommendation # 7:** Provide employees a Know Your Rights and Responsibilities Web site and brochure that compile appropriate directives on conduct, processes, and redress options.

**TSA Response: Concur.** TSA Office of Civil Rights & Liberties, Ombudsman, & Traveler Engagement (CRL/OTE) will collaborate with all relevant offices to assess the current informational medium to implement direct access to pertinent information for all employees on their rights and responsibilities. CRL/OTE will implement a new "Know Your Rights and Responsibilities" Web site and brochure that compiles appropriate directives on conduct, eligibility to file complaints, complaint processes, direct contact information, and redress options, with final action to be completed on November 22, 2012.

**Recommendation #8:** Establish an independent review panel reporting to the Office of the TSA Administrator through which legacy TTAC employees may request a review of desk audits and reassignments.



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**TSA Response: Non-concur.** The Recommendation provides that: “Aggregating cases may enable TSA to identify patterns or practices of unfair decisions. More important, creating an independent review panel would promote objective and defensible decisions.” TSA does not concur with this recommendation because multiple levels of controls in existing policy and procedures ensure independence and objectivity in the classification process. Per TSA Management Directive (MD) No. 1100.51-1, Position Management and Position Classification, the Office of Human Capital (OHC) is the sole office responsible for making position classification determinations. OHC is required to apply the specific process and use the established standards detailed in the *TSA Handbook to MD No. 1100.51-1* for all classification reviews. Existing policies and procedures ensure that OHC actions and decisions are uniformly administered across all program offices and positions, and are independent of external influence. The data collection process used by OHC is inclusive, with multiple opportunities for input and verification by employees and managers to ensure that OHC accurately understands each position’s responsibilities and technical knowledge requirements. Validated information is evaluated against the established standards documented in the *TSA Handbook to MD No. 1100.51-1* to make classification determinations. Material changes to current classifications, such as a Change to Lower Band (CLB), often undergo secondary peer review, and all cases are reviewed by OHC management. Each determination resulting in a CLB is subject to multiple, escalating checks for compliance with process, including analysis, and documentation requirements designed to guarantee independence, objectivity, and thoroughness before reaching the OHC/AA for signature. In addition, *TSA MD No. 1100.51-1* provides employees affected by a CLB the right to reply to the classification decision, which is reviewed by the AA/OHC before a final decision is made. Further, upon completion of this rigorous internal process, employees whose positions undergo a CLB have the right to seek external redress by appealing to the Merit Systems Protection Board (MSPB).

TSA disagrees with the concept of a separate process specifically for legacy TTAC employees that would not be extended to other staff, as this would be an unequal application of position management and position classification rules without legitimate cause. Establishment of such a process for legacy TTAC employees would result in an unequal application of position management and position classification rules without legitimate cause. At the same time, extending the proposed independent review panel to cover all legacy TTAC employees affected by reclassification would create an additional, unnecessary layer of review on top of the internal and external review avenues already in place, with affects ranging from delaying an already extensive process to undermining the OHC’s position as TSA’s personnel management authority. TSA believes that the provisions of *MD 1100.51-1* and the associated Handbook effectively afford legacy TTAC and all other affected employees fairness and equity in position management and classification.

Attachments



## Appendix D GAO Standards for Internal Controls

GAO's *Standards for Internal Control in the Federal Government* provides five standards for effective internal control.<sup>37</sup>

GAO Standards for Internal Control
<b>Control Environment</b>
Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. Examples: <ul style="list-style-type: none"><li>• Integrity and ethical values maintained and demonstrated by management and staff</li><li>• Management's commitment to competence</li><li>• The manner in which the agency delegates authority and responsibility</li><li>• Sound human capital policies and practices</li></ul>
<b>Risk Assessment</b>
Internal control should provide for an assessment of the risks the agency faces from both external and internal sources. Examples: <ul style="list-style-type: none"><li>• Clear, consistent agency objectives</li><li>• Identification and analysis of risks</li></ul>
<b>Control Activities</b>
Internal control activities help ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives. Examples: <ul style="list-style-type: none"><li>• Performance reviews</li><li>• Management of human capital</li><li>• Controls over information processing</li><li>• Segregation of duties</li><li>• Documentation of transactions and events</li></ul>
<b>Information and Communications</b>
Information should be recorded and communicated to management and others within the entity who need it and in a form and within a time frame that enables them to carry out their internal control and other responsibilities. Examples: <ul style="list-style-type: none"><li>• Operational and financial data</li><li>• Information flowing down, across, and up in the organization</li></ul>
<b>Monitoring</b>
Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Examples: <ul style="list-style-type: none"><li>• Ongoing monitoring during normal operations</li><li>• External evaluation of controls</li></ul>

<sup>37</sup> Ibid., pp. 8–21.



## **Appendix E**

### **Major Contributors to This Report**

Marcia Moxey Hodges, Chief Inspector  
Lorraine Eide, Lead Inspector  
Heidi Einsweiler, Inspector  
Morgan Ferguson, Inspector



## **Appendix F**

### **Report Distribution**

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Assistant Secretary for Office of Legislative Affairs  
Administrator, Transportation Security Administration  
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