

**STATEMENT OF JOHN ROTH
INSPECTOR GENERAL**

DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

**COMMITTEE ON HOMELAND SECURITY, SUBCOMMITTEE ON OVERSIGHT
AND MANAGEMENT EFFICIENCY**

U.S. HOUSE OF REPRESENTATIVES

AND

**COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON REGULATORY AFFAIRS AND FEDERAL
MANAGEMENT**

UNITED STATES SENATE

CONCERNING

**EXAMINING ONGOING CHALLENGES AT THE U.S. SECRET SERVICE AND
THEIR GOVERNMENT WIDE IMPLICATIONS**

November 17, 2015



Chairmen Lankford and Perry, Ranking Members Heitkamp and Watson Coleman, and Members of the Subcommittees:

Thank you for inviting me here today to discuss our ongoing work involving the United States Secret Service (Secret Service) and its government-wide implications. We have conducted a number of investigations, audits, and inspections of Secret Service programs and operations, and we have a number of ongoing projects. My testimony today will describe some of that work and discuss its implications.

Allegations Concerning Access to Chairman Chaffetz' Application File

As a result of our investigation, we determined that a Secret Service database containing sensitive personally identifiable information pertaining to Congressman Jason Chaffetz, Chairman of the House Committee on Oversight and Government Reform, was accessed by Secret Service employees on approximately 60 occasions between March 25 and April 2 of this year.¹ We concluded that a vast majority of those who accessed the information did so in violation of the *Privacy Act of 1974* (Privacy Act), as well as Secret Service and Department of Homeland Security (DHS) policy. We also identified one individual who acknowledged disclosing information protected by the Privacy Act to an outside source. However, because the number of individuals with access to this information was so great, we were unable to identify others who may have disclosed protected information to third parties.

We found that the access began minutes after Director Clancy began testifying before the Committee on Oversight and Government Reform on March 24 and continued in the days following. Knowledge of Chairman Chaffetz' application was widespread and was fueled and confirmed by improper access to the Secret Service database at issue, the Master Central Index (MCI).

We found that a number of senior managers knew agents were accessing the MCI improperly. For example, the Special Agent in Charge of the Washington Field Office (WFO) became aware on or about March 25 that several of her mid-level WFO supervisors had accessed or were aware of the Chaffetz record, and she directed her subordinates to cease any further access of the MCI record. No other Secret Service personnel at WFO accessed the Chaffetz record after that date, but 25 others around the country did. Likewise, Deputy Assistant Director Cynthia Wofford of the Office of Strategic Intelligence and Information recalled hearing rumors of the Chaffetz application during the Director's March 24 testimony. After unsuccessfully searching the internet for confirmation of the rumor, Wofford accessed the MCI on the morning of March 25 and found

¹ Memorandum, "[Investigation into the Improper Access and Distribution of Information Contained Within a Secret Service Data System](#)" (September 25, 2015).

the Chaffetz record. She attempted to bring this to the attention of Deputy Director Magaw, but he told her that he already knew about it.

However, other senior managers were aware that Chairman Chaffetz had once applied to the Secret Service, but they apparently did not comprehend the seriousness of what was developing. None of the senior managers apparently understood that the rumors were being fueled and confirmed by numerous agents who improperly accessed the protected MCI record of the Chaffetz application. As a result, no one acted, until it was too late, to stop this unauthorized and unlawful activity.

Our investigation also revealed that the MCI, a case management tool implemented in 1984 to facilitate the Secret Service's investigative process, did not have the audit and access controls of a modern information technology (IT) system or appropriately segregate the information. Such controls and segregation may have prevented or minimized the behavior we discovered. This also appears to run counter to the Privacy Act, which requires agencies to "establish appropriate administrative, technical, and physical safeguards to insure the security and confidentiality of records."

Additionally, the Secret Service must ensure that only relevant records are maintained in these types of databases. The Privacy Act requires that an agency "maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished." The fact that the MCI had records of an unsuccessful application from 12 years earlier, which contained sensitive information the disclosure of which could lead to identity theft, may violate this provision of the Privacy Act. Finally, although all agents were trained on use of the system and received yearly refresher training, it was apparent that many of the agents disregarded that training.

Our Office of Information Technology Audits is currently conducting a technical security assessment of the information systems the Secret Service now uses to store and retrieve investigative and criminal history information. The Secret Service recently reported that it retired the MCI and migrated all data to about five other Secret Service information systems in September 2015. The objectives of our technical assessment are to verify that the MCI is no longer in use, identify which systems currently house MCI data, determine the level of physical and system controls implemented to secure the data from further instances of unauthorized access, and identify gaps in the security posture. We also intend, to the extent possible, to understand the security weaknesses in the MCI when it was operational. We expect to complete our assessment and issue a final report in February 2016.

Previous Allegations of Employee Misconduct

Over the past several years, as part of our independent oversight effort, we have investigated various incidents involving allegations of misconduct by Secret Service employees. We have also reviewed other issues related to the Secret Service's organization and mission that raised the concern of Congress and the public. In sum, the results of our investigations and reviews, as well as other incidents we were made aware of, point to some ongoing organizational and management challenges. The Secret Service has certainly taken steps to address these challenges, but not always successfully. These persistent challenges may not be easy to resolve through expeditious action, such as suspending employees and issuing new guidance. They may require more fundamental change that addresses the root cause of the misconduct.

Allegation into Agent Misconduct at the White House Complex on March 4, 2015

We reviewed the actions of two Secret Service agents who on the evening of March 4th had entered an area that had been secured as a result of a suspicious package.² We concluded that it was more likely than not that both agents' judgment was impaired by alcohol. We found that, notwithstanding their denials, both agents were observed by uniformed officers as "not right," and "not making sense," had just spent the previous five hours in a restaurant/bar in which one ran up a significant bar tab, and that they drove into a crime scene inches from what the rest of the Secret Service was treating as a potential explosive device and which, under different circumstances, could have endangered their own lives and those of the Uniformed Division (UD) officers responding.

While each agent had a duty to report the incident to his superior, neither did do so. We found that their failure to do so reflected either poor judgment or an affirmative desire to hide their activities.

Allegation into Misuse of Government Resources to Conduct Employee Protection Operations

We also investigated an allegation that under an operation called "Operation Moonlight" Secret Service personnel and resources were directed to conduct surveillance and records checks unrelated to the Secret Service's mission.³ The complaint alleged that Secret Service agents were instructed to use law

² Memorandum, "[Investigation Into the Incident at the White House Complex on March 4, 2015](#)" (May 6, 2015).

³ Memorandum, "[Allegations of Misuse of United States Secret Service Resources](#)" (October 17, 2014).

enforcement databases and conduct rotating surveillance shifts on a neighbor of the then Executive Staff Assistant to the former Secret Service Director. We did not find any instances in which Secret Service agents approached the neighbor, nor could we conclude that the neighbor's house was ever under direct surveillance.

Our ensuing investigation, however, revealed that personnel and database resources were misused when Washington Field Office "Prowler" teams periodically checked on the Executive Staff Assistant at her residence for about one week in early July 2011. Our investigation also showed these checks were initiated in response to a private dispute and did not occur in the course of official duties or as a result of the Executive Staff Assistant's position. In addition, we determined that the Prowler team agents were not investigating a potential assault on the Executive Staff Assistant; the agents commonly described undertaking the checks because of an issue she was having with her neighbor.

Secret Service personnel told us that the Prowler team checks did not divert resources from essential functions and responsibilities or negatively impact the Secret Service's mission. However, the checks on the Executive Staff Assistant in La Plata, Maryland — a 45-minute drive from the White House — diverted Prowler personnel from the White House area and its surroundings when, on 4 of 5 identified days, the President was departing, arriving, or at the White House.

Allegations of Secret Service Misconduct in Cartagena, Colombia

We also investigated allegations that, in April 2012, during preparations for President Obama's visit to Cartagena, Colombia, Secret Service agents solicited prostitutes and engaged in other misconduct.

During our investigation, we independently identified Secret Service personnel who directly supported the Cartagena visit and other potential witnesses who may have had information about the Cartagena trip. We identified the personnel directly involved in the incident, as well as the potential witnesses, through documentary sources, including official travel records, hotel registries, country clearance cables, personnel assignments, and Secret Service and U.S. Embassy records.

As part of our investigation, we conducted 283 interviews of 251 Secret Service personnel. Based on our interviews and review of records, we identified 13 Secret Service employees who had personal encounters with female Colombian nationals consistent with the misconduct reported. We determined that one of the female Colombian nationals involved in the incident was known to the Intelligence Community. However, we found no evidence that the actions of Secret Service personnel had compromised any sensitive information.

Our investigation determined that 12 Secret Service employees met 13 female Colombian nationals at bars or clubs and returned with them to their rooms at the Hotel Caribe or the Hilton Cartagena Hotel. In addition, one Secret Service employee met a female Colombian national at the apartment of a Drug Enforcement Administration special agent. We interviewed the remaining 12 Secret Service employees who had personal encounters with the 13 female Colombian nationals. Through our interviews, we learned that following their encounters, three females left the rooms without asking for money, five females asked for money and were paid, and four females asked for money but were not paid. In addition, one female, who asked to be paid but was not, brought a Colombian police officer to the door of the Secret Service employee's room; the employee did not answer the door. As a result, she was paid by another Secret Service employee and left. A fourteenth Secret Service employee, who the Secret Service initially identified as involved in the misconduct, was subsequently determined to have been misidentified.

Of the 13 employees accused of soliciting prostitutes in Cartagena, 3 were returned to duty with memoranda of counseling, after being cleared of serious misconduct. Five employees had their security clearance revoked because they either knowingly solicited prostitutes, demonstrated lack of candor during the investigation, or both. Five employees resigned or retired prior to the adjudication of their security clearance. Several of these last five employees appealed their adverse personnel actions to the United States Merit Systems Protection Board.

After the incident, the Secret Service issued new guidance regarding personal behavior, including a directive amending standards of conduct with additional policies about off duty conduct, briefings, and supervision on foreign trips.

Other Misconduct by Secret Service Employees

Although we did not investigate them, six incidents that occurred between June 2013 and June 2014 highlighted questionable conduct by Secret Service employees that affected the Secret Service's protective function. These incidents took place after the Secret Service instituted new policies (in April 2012) on alcohol use, including prohibiting use within 10 hours of reporting for duty and prohibiting drinking at the protectee's hotel once a protective visit has begun (but permitting drinking "in moderate amounts" while off duty during a protective mission).

- In June 2013, two UD officers were found to have consumed alcohol during an overseas mission, in violation of the 10-hour rule regarding alcohol consumption. One of the officers, a second time offender, handled

his rifle while under the influence of alcohol. He received a 28-day suspension; the other officer received a 7-day suspension.

- In November 2013, a supervisory agent was involved in an incident at the Hay Adams hotel in Washington, DC. The supervisor began conversing with a woman at the hotel bar and later accompanied the woman to her room. The woman solicited the help of hotel security when she wanted the agent to leave her room, reporting that he had a gun and she was frightened. The agent left the room without incident. The Secret Service conducted an inquiry and issued a letter of reprimand to the agent.
- In December 2013, four UD officers were found to have consumed alcohol during a layover on an overseas mission, in violation of the 10-hour rule regarding alcohol consumption. Four of these officers were issued letters of reprimand; the fifth, a second time offender, was issued a 14-day suspension.
- In March 2014, a UD officer was involved in a car accident while driving a government-rented vehicle during official travel supporting a presidential visit. The officer was found to have consumed alcohol in the hours preceding the accident, in violation of the 10-hour rule regarding alcohol consumption. The officer was ultimately served with a 7-day suspension. This officer was one of 10 others who were out together the evening before the accident. Three of the other officers violated the 10-hour rule and a fourth misused a government-rented vehicle. These officers were issued suspensions ranging from 14 days to 35 days. One of the officers resigned.
- In March 2014, an agent was sent back to Washington, DC, after he was found unconscious outside his hotel room in The Hague, Netherlands, while on official travel. When interviewed, the agent said he went out to dinner at a restaurant with other Secret Service personnel, during which he had several drinks. After dinner, he and two other agents had several more drinks. The agent could not remember leaving the restaurant or how he got back to his hotel. All three agents were found to have violated the 10-hour rule regarding alcohol consumption. The agent who was found unconscious resigned from the Secret Service. The other two agents were issued suspensions of 28 days and 30 days.
- In June 2014, a UD officer flying while armed with his Secret Service-issued handgun consumed two beers within the 10 hours prior to his flight. He consumed one beer at the airport bar after checking in with the gate agent as an armed law enforcement officer. He was issued a 14-day suspension.

Review of Systemic Employee Misconduct Issues

Although after the Cartagena incident, the Secret Service investigated the allegations of misconduct, took action against the employees involved, and issued new guidance on personal behavior, other underlying issues arose during our investigation. In particular, when asked how the Secret Service dealt with misconduct allegations in general, some employees alleged there was a culture of retaliation and disparate treatment of employees, including directed punishment toward complainants and those voicing concerns about Secret Service programs and operations. Secret Service staff reported that the resulting culture may have adversely impacted the employee retention rate. Individuals we interviewed also reported that Secret Service officials “whitewashed” allegations of employee misconduct, effectively downplaying and underreporting complaints to the Office of Inspector General (OIG) so they would appear to be administrative and not potentially criminal. These actions would, in turn, cause the allegations to be returned to Secret Service internal affairs for inquiry instead of OIG accepting them for investigation.

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

In our survey, we also questioned employees about reporting excessive alcohol consumption. Of the 138 electronic survey respondents who personally observed excessive alcohol consumption, 118 (86 percent) indicated they did not report the behavior. Respondents could select multiple reasons for not reporting the behavior. Some frequently cited reasons included:

- 66 respondents (56 percent) indicated the employee engaged in the behavior while off duty.
- 55 respondents (47 percent) did not believe that management supported employees reporting the behavior.
- 47 respondents (40 percent) were afraid of reprisal or retaliation.

Additionally, we reported that the Secret Service often administered penalties that were less severe than the range of recommended penalties at other Department law enforcement components. We compared the Secret Service’s

disciplinary response for specific infractions to penalties for similar infractions at U.S. Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), and U.S. Customs and Border Patrol (CBP).

From 2004 to 2013, the Secret Service administered discipline for a single offense to one-time offenders 341 times. Most of the time, the Secret Service imposed less severe penalties than one or more of these components. Specifically:

- In 265 of the 341 instances (78 percent), the Secret Service administered less severe discipline than one or more of TSA's, ICE's, and CBP's tables of penalties showed those components would have administered. In 141 of these 265 instances (53 percent), the Secret Service administered less severe discipline compared to all three components' tables of penalties.
- For the remaining 76 of the 341 instances (22 percent), the Secret Service administered discipline within or above what TSA's, ICE's, and CBP's tables of penalties showed those components would have administered.

As a result of our findings, we identified areas in which the Secret Service needed better management controls for reporting misconduct or inappropriate behavior and adjudicating and administering disciplinary actions. We made 14 recommendations to improve the Secret Service's processes for identifying, mitigating, and addressing instances of misconduct and inappropriate behavior. Additionally, we suggested the Secret Service continue to monitor and address excessive alcohol consumption and personal conduct within its workforce.

The Secret Service concurred with all 14 recommendations and implemented changes to its discipline program. Among the improvements, the Secret Service created a table of penalties for determining appropriate corrective, disciplinary, or adverse actions for common offenses and established a centralized process within headquarters for determining and implementing discipline for employee misconduct. Because the Secret Service reformed its administrative discipline process after our report was issued, we are unable to determine the extent to which the pattern of imposing less severe discipline continues.

Correcting underlying shortcomings in the discipline process and ensuring fair and consistent discipline are vital to the stability of any organization. As part of our performance plan for fiscal year 2016, we intend to evaluate the strength of the Department's disciplinary processes. We will focus on the depth and breadth of employees' perceptions and attitudes about misconduct and the application of discipline, DHS' established rules of conduct, and the application of discipline across the Department.

Other Audit and Inspection Work Involving Secret Service Programs and Operations

We have also conducted several audit and inspection reports regarding Secret Service programmatic responsibilities, outside the area of employee misconduct.

Management Alert on UD Officer Fatigue

We recently issued a management alert in which we identified UD officer safety issues that impact officer safety and the Secret Service's ability to meet its mission.

Specifically, during two different site visits on two separate days, conducted for an unrelated audit, we observed two UD officers sleeping at their posts. Fatigue from travel, overtime shifts, and long hours contributed to these incidents. The Secret Service referred both officers for disciplinary action. We brought this matter to the attention of the Secret Service because of our concern that the staffing and scheduling process does not ensure officers have adequate breaks while on duty and time off between shifts. The Protective Mission Panel report, produced after the fence jumping incident, raised concerns that the UD was inadequately staffed, necessitating significant overtime. We are concerned that the situation has not improved since that report was issued in December 2014. In fact, the amount of overtime UD officers are working has increased over time, from 362 hours per officer in FY 2013 to 597 hours per officer in FY 2015. This represents a 65% increase in two years in the amount of overtime the average UD officer works.

Inoperable Alarm at Protectee's Residence

In October 2014, we visited former President George H.W. Bush's Houston residence in response to a complaint alleging alarms were inoperable. During our visit, we identified issues with the alarm system at the residence.

Specifically, an alarm, which had been installed around 1993, had been inoperable for at least 13 months. During this time, the Secret Service created a roving post to secure the residence, but the Secret Service could not determine the exact time period between when the alarm failed and the roving patrol started. We did not identify any security breaches that occurred. However, we found problems with identifying, reporting, and tracking alarm system malfunctions, and with repairing and replacing alarm systems. Secret Service officials also told us about security equipment problems, including the need for substantial repairs and improvements, at other residences of former Presidents.

Future OIG Work Related to the Secret Service

In addition to the work we have already completed, we intend to conduct audits or evaluations of a number of other Secret Service programs and operations:

- Ongoing Reviews of Three Security Lapses: We are reviewing three incidents, one from November 2011 and two more that took place in September 2014, all of which highlight security lapses that raise serious concerns about the Secret Service's ability to accomplish its protective mission. For each incident — shots being fired at the White House from Constitution Avenue in November 2011, an intruder jumping over the fence and entering the White House in September 2014, and an armed guard coming in close proximity to the President in September 2014 — we are determining whether the Secret Service followed its own protective policies, what actions were taken to correct identified deficiencies, and whether these corrections were adequate. The ultimate aim of our reviews is to determine and understand the root causes of these lapses, which may point to more fundamental and ongoing challenges to the Secret Service's mission. This fiscal year, we plan to issue three reports on these incidents, as well as a capping report that identifies root causes and includes any other necessary, overarching recommendations.
- Radio Communications: We are completing an audit to determine the adequacy of Secret Service radio communications. We will be recommending that the Secret Service upgrade its existing radio communication systems and develop a strategy and timeline to continuously upgrade radio communication systems.
- Protective Mission Panel Recommendations: This fiscal year, we plan to assess the implementation status of recommendations from the Protective Mission Panel to the Secret Service resulting from the September 2014 fence jumping incident.
- Security Clearances: In response to a congressional request, we will examine the Secret Service's practices of hiring and deploying personnel without completing the security clearance process. Specifically, we will review the process of granting waivers for personnel to begin work without completing the security clearance process, and the safeguards the Secret Service uses to ensure that those personnel are not given access to classified information during the course of their duties.
- IT Integration and Transformation: We will conduct an audit to determine the extent to which the Secret Service's IT Integration and

Transformation (IITT) effort to modernize its outdated IT infrastructure supports its investigative and protective missions, goals, and objectives. Historically, the IITT has faced challenges in planning, staffing, and governance. In 2009, the DHS Chief Information Officer determined the effort lacked adequate planning, the development schedule was too aggressive, and the program scope exceeded the allocated budget. As a result of a prior OIG audit, in March 2011, we recommended that the Secret Service develop an IT staffing plan, formalize its Executive Steering Committee, and provide the Secret Service Chief Information Officer with the component-wide IT budget and investment review authority needed to ensure success of the IITT. Since our prior audit, the Secret Service has reduced the scope of the IITT and is working with the DHS Chief Financial Officer to ensure that planned capabilities can be delivered within expected funding levels. We expect to complete our audit and issue a final report in the summer of 2016.

Mr. Chairmen, this concludes my prepared statement. I welcome any questions you or other Members of the Subcommittees may have.