

**U.S. DEPARTMENT OF HOMELAND SECURITY**

**U.S. SECRET SERVICE**



**STATEMENT FOR THE RECORD**

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**ON THE**

**INVESTIGATIVE AND PROTECTION CHALLENGES OF  
FY 2012**

**BEFORE THE**

**U.S. HOUSE OF REPRESENTATIVES**

**COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEE ON COUNTERTERRORISM AND  
INTELLIGENCE**

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## **INTRODUCTION**

Good afternoon Chairman Meehan, Ranking Member Speier, and other distinguished Members of the Committee. I am pleased to appear before you today to discuss the anticipated protective and investigative challenges the Secret Service will face in FY 2012. In the eight years since the Secret Service was transferred to the Department of Homeland Security (DHS), the men and women of our agency have made significant contributions to the overarching goals of the Department. In recent years, the Secret Service has faced emerging threats that have required enhancements at permanent and temporary protective sites, a historic presidential campaign, increases in the number of designated National Special Security Events (NSSEs), and the proliferation of cyber crimes directed at our banking and financial payment systems and other critical infrastructure.

Despite these challenges, the men and women of the Secret Service continue to perform their duties in an exemplary manner. In FY 2010, Secret Service protective details and field agents ensured 100 percent incident-free protection for 5,954 domestic travel stops and 464 international travel stops. Foreign dignitary protection reached a record 2,495 travel stops, including visits by 236 heads of state and government, and 107 spouses from over 147 countries. Dignitary protection also included security operations for the Nuclear Security Summit in April 2010 and the 65<sup>th</sup> anniversary of the United Nations General Assembly in September 2010. Additionally, the protective mission was supported through 7,726 site surveys.

Thus far in FY 2011 the Secret Service protective details and field agents have provided protection at 4,459 domestic travel stops and 351 international travel stops. Further, the U.S. Secret Service has already commenced extensive security planning and coordination for the Asia Pacific Economic Conference to be held in Honolulu, Hawaii on November 12<sup>th</sup> and 13<sup>th</sup>. Lastly, we have begun the training of the candidate nominee protective details in preparation for the 2012 Presidential Campaign.

In the area of criminal investigations, Secret Service field offices closed a total of 9,137 cases in FY 2010, an increase of 7.8 percent over FY 2009. These cases led to 8,930 arrests. Additionally, the Secret Service continued to strengthen our partnerships with U.S. Attorney offices, sustaining a high conviction rate of 99.3 percent for all cases that went to trial. The Secret Service's longstanding investigative priority of combating financial crime led to an estimated \$13.5 billion in potential losses prevented, of which \$6.95 billion was tied to cyber crimes. Building on these successes, the number of financial crime cases closed increased 7.1 percent from comparable FY 2009 levels, and resulted in 5,589 arrests, a reflection of the Secret Service's ability to adapt to emerging financial and cyber crime threats.

In her appearance before the House Security Committee in March of 2011, Secretary Napolitano noted that, "Today's threat picture features an adversary who evolves and

adapts quickly and who is determined to strike us here at home – from the aviation system and the global supply chain to surface transportation systems, critical infrastructure, and cyber networks.” In the past two years, the attempted assassination of the Deputy Interior Minister of Saudi Arabia and the failed detonation of an explosive device on Delta/Northwest Airlines flight 253 have illustrated the importance of advanced screening techniques. Additionally, as evidenced by materials discovered during the search of Usama Bin Ladin residence, our protectees remain a highly sought after target by terrorist organizations. However, even in a general sense, a heightened threat environment for our country is an obvious concern to the Secret Service, since many aspects of our dual mission rely on safe modes of transportation, the security of fixed and mobile sites where our protectees work and visit, and secure communications.

As documented through the Department’s Quadrennial Homeland Security Review<sup>1</sup> and bottom-up review process<sup>2</sup>, the Secret Service’s missions include the protection of our national leaders, ensuring the continuity of national leadership, protection of visiting heads of state and government, implementation of operational security plans and protective activity for designated NSSEs, as well as investigating crimes directed towards our nation’s banking and financial payment systems.

The Secret Service anticipates that FY 2012 will be a very demanding and challenging year. As you will recall, the 2008 campaign presented a number of unforeseen challenges, such as being directed to provide candidate protection earlier than any time in history, a protracted Democratic primary, massive crowds at campaign rallies all over the country, and larger venues to secure. In FY 2012, the Secret Service will not only be responsible for candidate / nominee protection, but also six anticipated NSSEs: 1) Asia Pacific Economic Cooperation (APEC) Summit; 2) Presidential State of the Union Address; 3) North Atlantic Treaty Organization (NATO) Summit; 4) Group of Twenty (G-20); 5) Republican National Convention; and 6) Democratic National Convention.

## **PROTECTIVE OPERATIONS**

The Secret Service’s protection mission is comprehensive, and goes well beyond surrounding a protectee with well-armed special agents. Over the years, the agency’s protective methodologies have become more sophisticated, incorporating such tools as airspace interdiction systems and chemical, biological, radiological, and nuclear (CBRN) detection systems. As part of the Secret Service’s continuous goal of preventing an incident before it occurs, the agency relies heavily on meticulous advance work and threat assessments to identify potential risks to our protectees.

Advances in technology as well as the interdependencies of our country’s network systems have required a new paradigm in the way we approach protection. No longer can we rely solely on human resources and physical barriers in designing a security plan; we must also address the inherent vulnerabilities of critical infrastructures upon which

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<sup>1</sup> Department of Homeland Security. (2010). *Quadrennial Homeland Security Review Report: A Strategic Framework for a Secure Homeland*.

<sup>2</sup> Bottom Up Review Report, July 2010

security plans are built. Addressing such potential areas of vulnerability is part of the comprehensive security plan the Secret Service develops to provide the highest level of protection to protectees.

### Candidate Protection

Today, the Secret Service's Dignitary Protection Division is responsible for campaign planning and protection. By statute, the Secretary of Homeland Security determines who qualifies as a major presidential or vice presidential candidate. This determination is made in consultation with an advisory committee comprised of the Speaker of the House, the minority leader of the House, the majority and minority leaders of the Senate, and one additional member selected by the other members of the committee, which has historically been the Sergeant at Arms of either the House or the Senate.

While much has changed in the 43 years since we began protecting Presidential candidates, the challenges associated with planning and budgeting for candidate protection two years ahead of presidential campaigns remain. Forecasting staffing and costs for presidential campaigns is surrounded by a great deal of unknowns, such as the number of candidates that will run for the presidency, how much they will travel, and how soon the field of candidates is selected.

In analyzing past campaigns, one of the first things to consider is historical information of the number of presidential and vice presidential candidates who received Secret Service protection. The number of presidential and vice presidential candidates receiving Secret Service protection hit a high point in 1976 with 15 protectees and a low point in 2004 with three protectees. However, this information does not reflect Secret Service protection for candidate spouses and children, both of which have become significant factors in recent years as they have been granted protection by Executive Memoranda earlier in the campaign cycle.

### 2012 Presidential Campaign

Consistent with previous campaigns, the Secret Service's primary means for estimating costs associated with candidate/nominee protective details is the "protection day." The protection day calculation includes costs such as travel, per diem, hotels, and overtime required to sustain a candidate/nominee protective detail for one day. It should be noted that factors outside of the Secret Service's control, such as the frequency of travel, events with large venues and crowds, or international travel by the candidates also impact cost.

In addition, the projected number of protection days is critical to the overall estimated cost of the campaign. Although we cannot predict exact start and end dates of when candidates and their dependents receive protection, we can identify a range of how many total protection days will be required. To achieve this estimate, the Secret Service performed a probability-based analysis which incorporated historical campaign

information, recent trends in candidate protection, and other factors such as anticipated primary schedules.

### 2012 President Campaign / Candidate Nominee Operation Section Training

In preparation for the 2012 Presidential Campaign, the Secret Service's Dignitary Protective Division – Candidate Nominee Operation Section (CNOS) in conjunction with the JJRTC began the training of protective details in May of 2011. All of the protective details are expected to have completed training by the end of August 2011 and will ultimately be assigned to provide protection for a Presidential candidate.

The CNOS protective details are comprised of special agents from our 142 domestic field offices. The CNOS details operate on 21 day rotational assignments. Upon completing their protective rotation, they return to their respective office and continue their criminal investigative cases or participate in protection assignments in their district. Agents assigned to a candidate protective detail continue on this protection rotation through the end of the campaign or until the candidate they are assigned to protect withdraws from the campaign.

Additionally, the CNOS initiated a training program to prepare other federal law enforcement agencies that may assist the Secret Service during the 2012 Presidential Campaign. At this time, we anticipate that Transportation Security Administration officers will periodically assist the Secret Service Uniformed Division Officers with security screening operations at various protective sites. The CNOS has also started "Protective Advance Team Training" at numerous Secret Service Field Offices throughout the country. During this training, refresher training is provided to special agents who will conduct the protective security advances for campaign visits throughout the country during the 2012 Presidential Campaign.

### National Special Security Events (NSSEs)

In addition to candidate / nominee protection, the Secret Service will be responsible for the security planning for six anticipated NSSEs in FY 2012, the APEC Summit; the Presidential State of the Union Address; the NATO Summit; the G-20 Summit; the RNC; and the DNC. Title 18 U.S.C. § 3056 (e)(1) and various Presidential directives over the years have established the Secret Service as the lead federal agency responsible for the planning, coordinating, and implementing security operations for NSSEs. Federal partners are critical to the overall success of these events with the Federal Bureau of Investigation responsible for crisis management and the Federal Emergency Management Agency responsible for consequence management.

Due to the extensive planning and coordination efforts required for an NSSE, the Secret Service has already temporarily transferred personnel to plan, coordinate and implement the security operations for the APEC Summit. To ensure effective coordination and planning, the Secret Service has established a Steering Committee with 24 Subcommittees to cover all areas of the security plan. For several months now, special

agents from the Office of Protective Operations / Dignitary Protective Division have been on the ground meeting with their state and local law enforcement partners, fire safety personnel, first responders, military and numerous other entities to ensure the overall security plan for the APEC Summit.

In addition, we recently learned that the NATO Summit and the G-20 will be held in Chicago, IL next spring. Senior staff from our Chicago Field Office has already engaged their state and local law enforcement partners in Illinois to begin the critical security planning and coordination for these events.

### *Information Sharing with Our Law Enforcement Partners*

Due to the dual mission of the Secret Service, we have always maintained a close working relationship with our state and local law enforcement partners. On a daily basis, special agents assigned to domestic field offices work criminal investigations with their state and local partners. These preexisting relationships allow the Secret Service to perform its protective responsibilities seamlessly. When a protective visit is scheduled, the Special Agent in Charge of that office immediately contacts the Chief of Police, the Sheriff and State Police to convene a police meeting and discuss the security planning for the upcoming protective visit. At this meeting, the Secret Service provides information concerning the visit with our law enforcement partners. We then establish teams, consisting of Secret Service agents, state and local law enforcement for each aspect of the protective visit. Sharing this critical information and working together ensures that all necessary entities have full awareness of the anticipated protective movements and can thus plan accordingly.

As the lead federal law enforcement agency responsible for the security planning, coordination and implementation and operations at NSSEs, the Secret Service will establish the Multi Agency Communications Center (MACC). During the NSSE, each agency that has an operational role in the NSSE will have command level staff in the MACC. This coordination ensures that all agencies have full simultaneous situational awareness of events occurring and can immediately provide assets or assistance to one another if needed.

For example, the majority of threat investigative cases are worked by our special agents in our domestic field offices. When investigating threats made against any of our protectees, the Secret Service frequently works with our state and local partners. Often, individuals who have made threats against our protectees may have also made threats against state and local officials or are at least known to the local and state law enforcement community. Consequently, communicating and sharing information with our local and state partners is critical to the success of these investigations.

### **INVESTIGATIVE OPERATIONS**

The partnerships that the Secret Service relies on to successfully perform our protection responsibilities are cultivated at the field office level. In addition to the permanent

protective details dedicated solely to the protection of our nation's leaders, the backbone of the Secret Service is our network of 142 domestic and 23 international investigative field offices, which carry out protective intelligence and financial crimes investigations while providing the surge capacity needed to successfully carry out its protection responsibilities.

All Secret Service special agents begin their career as a criminal investigator in a field office. The training, judgment, and maturity they develop as criminal investigators in their field office assignments are essential to the transition into the next phase of their careers – protecting our nation's leaders. During their time in the field, special agents are routinely assigned to temporary protective assignments. This developmental period enhances their skills in both the protective and investigative arenas and promotes the philosophy of having a cadre of well-trained and experienced agents capable of handling the Secret Service's dual mission. By conducting criminal investigations, special agents develop relationships with local, state and federal law enforcement partners that prove critical when protectees visit their district. These relationships also enhance investigations into protective intelligence investigations against Secret Service protectees.

Moreover, the effective relationships we have developed with our international law enforcement partners are attributable to our long-term commitment to work with the host nation in a cooperative environment. This environment fosters relationships built on trust and mutual respect, and results in the sharing of information and best practices. Where permanent stations are not available, the Secret Service relies on temporary assignments to respond to emerging trends in overseas counterfeiting and other financial crimes.

### *Cyber Crime Investigations*

Beyond the support that investigative field offices provide to the protection mission, the Secret Service's investigations into financial crimes has prevented billions of dollars in losses to the American taxpayer over the years. In recent years, Secret Service investigations have revealed a significant increase in the quantity and complexity of cyber crime cases. Broader access to advanced computer technologies and the widespread use of the Internet has fostered the proliferation of computer-related crimes targeting our nation's financial infrastructure. Current trends show an increase in network intrusions, hacking attacks, malicious software, and account takeovers resulting in data breaches affecting every sector of the American economy.

While cyber criminals operate in a world without borders, the law enforcement community is constrained by jurisdictional boundaries. Therefore, the international scope of these cyber crime cases has increased the time and resources required for successful investigation and adjudication. To address the threats posed by these transnational cyber criminals, the Secret Service has adopted a multi-faceted approach to investigate these crimes while working to prevent future attacks. A central component of our approach is the training provided through our Electronic Crimes Special Agent Program (ECSAP), which gives our special agents the tools they need to conduct computer forensic examinations on electronic evidence obtained from computers, personal data assistants,

and other electronic devices. At the end of FY 2010, more than 1,400 special agents were ECSAP trained.

Since 2008, the Secret Service has provided similar training to 932 state and local law enforcement officials, prosecutors, and judges through the National Computer Forensics Institute (NCFI) located in Hoover, AL. Prior to the establishment of the NCFI, the Secret Service provided training to state and local law enforcement officials through the Electronic Crimes State and Local Program (ECSLP).

The Secret Service's commitment to sharing information and best practices with our partners, the private sector, and academia is perhaps best reflected through the work of our 31 Electronic Crimes Task Forces (ECTFs), including two international task forces in Rome and London. Currently, membership in our ECTFs include: 4,093 private sector partners; 2,495 international, federal, state, and local law enforcement partners; and 366 academic partners.

To coordinate these complex investigations at the headquarters level, the Secret Service has enhanced our Cyber Intelligence Section (CIS) to identify transnational cyber criminals involved in network intrusions, identity theft, credit card fraud, bank fraud, and other computer-related crimes. In the past two years, CIS has directly contributed to the arrest of 41 transnational cyber criminals who were responsible for the largest network intrusion cases ever prosecuted in the United States. These intrusions resulted in the theft of hundreds of millions of credit card numbers and the financial loss of approximately \$600 million to financial and retail institutions.

### Counterfeit Suppression

The Secret Service remains committed to suppressing the counterfeiting of U.S. currency around the world. Domestically, \$8.2 million of counterfeit U.S. currency was seized before entering public circulation in FY 2010, an increase of 7.9 percent over FY 2009. Our international field offices seized \$261 million, representing an increase of 170 percent over FY 2009, and a 734 percent increase over FY 2008. These seizures included the suppression of 428 counterfeit plants.

The effective relationships we have developed with our international law enforcement partners are attributable to our long-term commitment to work with the host nation in a cooperative environment. This environment fosters relationships built on trust and mutual respect, and results in the sharing of information and best practices. Where permanent stations are not available, the Secret Service relies on temporary assignments to respond to emerging trends in overseas counterfeiting and other financial crimes.

One example of this is the Secret Service's response to the proliferation of counterfeit originating in Peru. From FY 2008 to FY 2009, the Secret Service noted a 156 percent increase in the worldwide passing activity of counterfeit U.S. currency emanating from Peru. In response to this increase, which was second only to the domestic passing of digital counterfeit in FY 2008, the Secret Service formed a temporary Peruvian

Counterfeit Task Force (PCTF) in partnership with Peruvian law enforcement officials. Since beginning operations in Lima, Peru on March 15, 2009, the PCTF has yielded 50 arrests, 21 counterfeit plant suppressions, and the seizure of more than \$33 million in counterfeit U.S. currency. To date, Secret Service personnel have conducted 44 temporary duty assignments to Peru. Due to the overwhelming success of the PCTF, the Secret Service and Peruvian law enforcement officials agreed to extend operations in six-month increments throughout FY 2011.

### **JAMES J. ROWLEY TRAINING CENTER**

The Secret Service endeavors to recruit, develop, and retain a diverse and well-qualified workforce necessary for meeting the challenges I have discussed here today. That is why the training provided through the agency's JJRTC is so critical. In a single year, hundreds of newly hired special agents, Uniformed Division officers, special officers, and technical personnel undergo extensive training in protective methodologies used to protect major sites and events, firearms marksmanship, use of force/control tactics, financial crimes investigations, cyber forensic training and other courses. The Secret Service also offers protective security and other training to our federal, state, and local law enforcement personnel from across the country, as well as our international partners.

### **CONCLUSION**

I would like to thank the Subcommittee for holding this hearing. I am confident that through our determination and strong work ethic, our special agents, Uniformed Division Officers and our Administrative Professional and Technical staff, the Secret Service will successfully meet the challenges ahead.

Thank you again for the opportunity to be here today. I look forward to working with the Subcommittee and would be happy to answer any questions you may have at this time.