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**Written Testimony**

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Good morning Chairwoman Roybal-Allard, Ranking Member Fleischmann, and distinguished members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the operations of the United States Secret Service. While I understand that discussions on the fiscal year (FY) 2022 budget are being deferred until after the President transmits the full budget to Congress, I am eager to share with you examples of the vital work performed by the dedicated public servants of our agency.

In a year beset by extraordinary challenges associated with the COVID-19 pandemic, I am grateful for the resiliency and adaptability of our employees and the support of their families. I am also grateful to our personnel for their unwavering commitment and dedication to protect our nation's leaders and safeguard the American public from criminals targeting our country's financial infrastructure.

Over the past year, our frontline special agents and Uniformed Division officers ensured the safety of a historically high number of protectees through periods of civil unrest, oversaw presidential campaign protection and the transition of power, and developed a new post-presidency protective detail. In addition, Secret Service law enforcement and support personnel fought a proliferation and diversification of financial crimes associated with various COVID-19 economic relief programs. Countering pandemic relief fraud, which impacts people at their most vulnerable, continues to be a major focus of Secret Service investigations.

Despite the global health challenges and dynamic operational tempo of the past year, the Secret Service continued to make progress in hiring and training, strengthened our partnerships with State and local law enforcement officials through digital forensics training, and improved protective infrastructure and technologies at the White House Complex and other protective sites, most notably through security enhancements along E Street and ongoing construction of the new, permanent White House perimeter fence. In addition, the agency successfully continued the recapitalization of our fully armored vehicle fleet and transition to a leased law enforcement vehicle fleet, critical repairs and maintenance at the agency's Rowley Training Center (RTC) and began the modernization of our aging field radio systems.

Reflecting on our progress over the past year, I recognize that none of these achievements would have been possible without the incredible hard work and significant personal sacrifices of our employees.

## **Ensuring the Health and Safety of Our Employees**

In the days following the nationwide lockdown in March 2020, the Secret Service quickly provided agency-wide guidance and made necessary adjustments to telework and leave policies for the entire workforce.

Throughout the pandemic, the Secret Service's safety and health professionals in our Office of Human Resources communicated timely information to all employees, especially those who continued their daily protective and investigative missions despite the risks associated with COVID-19. These professionals organized and led numerous information sessions with public and private sector medical professionals at the forefront of the nation's COVID-19 response, including webinars attended by Secret Service employees.

The agency coordinated with Department of Homeland Security (DHS) procurement professionals to authorize, order, and distribute personal protective equipment (PPE) to the workforce. Our medical personnel forged strategic partnerships with federal, state, and local medical specialists to refine and implement a comprehensive COVID-19 testing plan. To support testing processes for the agency's geographically dispersed workforce, the team analyzed testing metrics, evaluated changing COVID-19 regional trends, built a COVID-19 contact tracing application, and performed personal medical follow-ups for employees who required extra care.

Our information technology personnel increased network bandwidth and acquired equipment and licensing to allow Secret Service employees to telework safely and securely, while expanding secure video conferencing capabilities to ensure that critical communications could continue unimpeded. With the expansion of telework, the agency is focused on delivering user-friendly applications and services to the workforce while ensuring the security of our network and critical services.

To ensure operational continuity, the Secret Service continues to employ COVID testing protocols, informed by expert medical advice, that include testing employees who are preparing to travel on protective advances; employees who may have worked in an environment with a high probability risk of COVID-19 exposure; and additional testing for trainees and staff. The agency also developed a new digital tracking system to gather testing data and monitor trends, allowing us to continually adapt our testing protocols to meet the needs of our workforce, and adjust our business processes accordingly.

## **Staffing the Agency to Meet Mission Requirements**

To reduce the risk to the workforce while maintaining the pace required to meet our hiring targets, we moved many pre-employment activities to a virtual environment. This includes increased capacity for computer-based testing and virtual panel interviews. In FY 2020, our personnel attended more than 780 virtual recruiting events and received more than 38,000 law enforcement position job applications.

Following several consecutive years of meeting or exceeding our hiring goals, the Secret Service fell slightly short of our targets in FY 2019, partially due to the government shutdown, and in FY 2020 due to the COVID-19 pandemic. Despite halting all in-person hiring activities for three months in FY 2020, our efforts to re-engineer processes to maximize virtual capabilities and institute protocols where in-person activity was required resulted in a total onboard staffing level of 7,628 positions at the end of the last fiscal year, a historically high number for the Secret Service. The agency is working diligently to meet its FY 2021 budgeted staffing level of 7,896 positions. To further its goal of building and maintaining a diverse, equitable, and inclusive workplace, the Secret Service has also implemented a number of equal opportunity and diversity policy initiatives, including policies on Equal Employment Opportunity and Prevention of Discrimination and Harassment and Increasing Employment of Individuals with Disabilities and Targeted Disabilities.

The agency has seen a steady decline in attrition across job categories over the past several fiscal years and is actively working to ensure this positive trend continues. Part of the decline in attrition is due to a number of retention programs we established over the past five years primarily focused on the agency's frontline agents and officers, and on employees with highly specialized cybersecurity skills. The largest of these efforts is the UD Group Retention program, which provides a higher financial incentive for a longer service obligation compared to previous retention efforts. This initiative, along with increased UD staffing, has contributed to a decline in UD attrition over the past several fiscal years, from 8.59 percent in FY 2019 to 7.34 percent in FY 2020, with current projections showing a further decline in FY 2021 to 6.05 percent.

Another significant effort in the past year was working with Congress to extend legislative relief through calendar year 2023 to allow Secret Service employees to be compensated for protective services overtime hours up to level II of the Executive Schedule. This provision had a direct effect on close to 1,200 agents last calendar year. Other retention initiatives—student loan repayment, tuition assistance, childcare subsidies—impact fewer employees but have been an important component to modernizing our human capital processes and improving employee satisfaction and retention.

### **Employee Morale**

In addition to our retention programs, the Secret Service has worked over the past several years to improve employee morale by enhancing the professional development of our employees, implementing new leadership development initiatives and programs, and improving the resiliency of our workforce.

One important measure of employee morale and engagement is the Federal Employee Viewpoint Survey (FEVS). In spite of the many challenges we faced in 2020, the Secret Service continues trending in a positive direction. Comparing results between 2019 and 2020, nearly every area polled showed improvement. On Employee Engagement, the agency's 2020 scores showed an increase in positive perceptions, up 4 percent from 2019 and 22 percent since 2016. In addition, on Global Satisfaction, positive perceptions were up 4 percent from 2019 and 32 percent since 2016.

I was especially pleased to see increases in positive responses in the area of performance management and recognition, which comes after a significant enhancement to our performance management system in 2019. The positive responses include an increase of 17 percent of respondents believing that differences in performance are recognized in a meaningful way.

### **Protecting Our Nation's Leaders and Events of National Significance**

The 2020 FEVS results were particularly encouraging given the operational complexities of the past year, as the agency worked to adopt new measures to safeguard our protectees and our personnel during a Presidential campaign and transition of power. While all campaign years present inherent challenges due to the unpredictable nature of candidate travel and trends in the electorate, the 2020 campaign was a particular challenge as the COVID-19 pandemic severely impacted protectee patterns of life. As a result, the number of protective travel visits for all protectee types slowed in the second and third quarters of FY 2020. However, starting in the fourth quarter of FY 2020 and through the first quarter of FY 2021, the number of protective travel visits, with the exception of foreign heads of state and government, had increased to more typical levels.

Transition activities associated with the new Administration and establishing a new post-Presidency protective detail have been the primary focus of our protective operations this year. Given the geographic dispersal of new protectees, the Secret Service is working to ensure that residence security and protective operations outside the National Capital Region are met.

### **National Special Security Events**

In addition to the Presidential campaign, our workforce successfully led the planning, coordination, and implementation for National Special Security Events (NSSEs). In FY 2020, these included the 2020 State of the Union Address and the 2020 Democratic and Republican National Conventions, which were scaled back significantly due to the COVID-19 pandemic but retained their NSSE designations and required Secret Service and partner government agency assets to be deployed. For the first time in its 75-year history, the United Nations General Assembly (UNGA) was held virtually in 2020 and carried out with prerecorded speeches by world leaders due to the pandemic. As a result, the pre-designation of last year's UNGA as a NSSE was rescinded by the Acting Secretary of DHS due to the lack of in-person dignitary attendance.

There have been two NSSEs thus far in FY 2021, the 59<sup>th</sup> Presidential Inauguration (Inauguration) in January and the President's Address to a Joint Session of Congress on April 28, 2021. In response to the heightened security environment in the aftermath of the attack on the U.S. Capitol on January 6, 2021, the former Acting Secretary of DHS extended the duration of the NSSE related to the Inauguration from January 13, 2021 through January 21, 2021. This provided additional time for the full resources of all participating agencies to be deployed. The exceptional efforts of our workforce, along with those of our law enforcement, public safety and military partners, kept the Inauguration safe and secure and facilitated the peaceful transition of power.

The Secret Service has reviewed its operational security posture over the past 10 months due to the increase in civil unrest and domestic violent extremism. In FY 2020, RTC developed the Mobile Field Force Program to ensure that during gatherings and assemblies, the Secret Service's protective mission is preserved, while the safety, civil rights, and civil liberties of participants and non-participants are not compromised. In FY 2021, the agency has deployed anti-scale fencing at protective sites to meet specific mission requirements, and is supporting the continued development of the UD's Civil Disturbance Unit (CDU), as well as our open source intelligence capabilities given the proliferation of social media platforms.

### Protective Intelligence

The agency's protective operations are strengthened by Secret Service analysts, social science research specialists, and agents assigned to the Protective Intelligence and Assessment Division. This critical component of the agency continuously assesses protective intelligence data to proactively identify, investigate, and mitigate potential threats to persons, facilities, and events protected by the Secret Service both domestically and internationally. In FY 2020, our personnel investigated more than 2,875 protective intelligence cases and provided 2,672 protective intelligence products to support mission operations.

In addition to enabling the success of the protective and investigative mission, the expertise developed by Secret Service personnel provides an opportunity to assist communities in preventing violence against children through research conducted and published by the Secret Service's National Threat Assessment Center (NTAC), investigative support through partnership with the National Center for Missing and Exploited Children, and community outreach conducted through programs, such as Operation Safe Kids and the Childhood Smart Program. The agency's NTAC applies those methodologies to research the broader field of violence prevention. In the agency's most recent study, *Averting Targeted School Violence: A U.S. Secret Service Analysis of Plots Against Schools*, NTAC examined 67 disrupted plots against K-12 schools from 2006-2018. Our public safety partners are profoundly interested in NTAC's research data, as evidenced by the nearly 14,000 teachers, administrators, coaches, and other school safety stakeholders from all 50 states and 64 countries who registered for the virtual rollout of this report in March 2021.

## **Strengthening Partnerships through Criminal Investigations**

While protection is inherently a no-fail mission, the Secret Service's investigative mission accomplishes critical national and economic security objectives, while developing agents for protective assignments as their careers progress. In addition, Secret Service agents in the field perform much of the advance work and relationship building that supports protectee travel. Often the same federal, state, and local government partners with whom agents collaborate on criminal investigations are relied upon to provide staffing, motorcade, and intelligence resources for Secret Service protective functions.

Many state and local law enforcement agencies that support protective operations also have close working relationships with the Secret Service's Cyber Fraud Task Forces (CFTFs). These connections are mutually beneficial, as they provide those agencies with access to the Secret Service's enhanced cyber expertise and resources while strengthening our relationships with state and local law enforcement partners who support protective missions.

In coordination with the agency's network of CFTFs, the Secret Service's Global Investigative Operations Center has been instrumental in countering pandemic relief fraud, including transnational conspiracies to defraud billions of dollars from state and federal unemployment insurance programs. The agency's investigative focus in this area is threefold: disrupt and deter criminal activity; assist organizations at risk of crime; and recover funds stolen from Americans. Over the past year, the Secret Service has disrupted hundreds of online pandemic relief scams, opened over 750 cases, and seized over \$600 million.

The Secret Service's CFTFs also perform an important role tackling ransomware, a digital extortion tool used by transnational criminals to hold computer systems and digital information hostage. This malicious cyber activity is a national security threat responsible for the disruption of numerous critical functions, including law enforcement, emergency services, and medical care.

As part of DHS's efforts to prevent and respond to ransomware, the Secret Service supports the Criminal Mission Center at the National Cyber Investigative Joint Task Force, which serves as the multi-agency national focal point for coordinating, integrating, and sharing information on ransomware investigations. The agency is also closely partnering with the National Security Council, the Department of Justice, and the Department of the Treasury.

## National Computer Forensics Institute (NCFI)

Another way the Secret Service strengthens partnerships with our state and local law enforcement partners is through digital forensics training at the National Computer Forensics Institute (NCFI). Effective use of digital evidence requires dedicated technical specialists, high-tech equipment, analytical tools, and legal expertise.

NCFI leverages innovative technology and experienced instructors to train state and local law enforcement officers, prosecutors, and judges on digital evidence collection and analysis. In doing so, our partners are equipped to conduct modern law enforcement operations and that our judicial system can effectively process such cases.

From 2008 – 2020, the Secret Service trained and equipped over 13,000 students, including 8,600 state and local law enforcement officers, 3,600 state and local prosecutors, and over 800 judicial officials. These students represent all 50 states, three U.S. territories, over 2,000 agencies nationwide, and collectively strengthen the Secret Services network of CFTFs.

NCFI responded to the challenges presented by the COVID-19 pandemic, establishing and deploying the NCFI Virtual Training Platform to conduct online training and briefings, which enabled quick dissemination of information to Secret Service field offices and its network of CFTFs, including state and local law enforcement investigative partners. This was a notable year of NCFI training achievements with tremendous growth of individuals trained and the development of new curriculum.

## International Criminal Investigations

Other high impact criminal investigations are carried out by agents assigned to our international field offices. While the development of productive and cooperative relationships with our international law enforcement counterparts results in enhanced operations when our protectees travel overseas, they are also effective in protecting the American public from a wide range of financial crimes, which are increasingly transnational in nature and enabled by cyberspace and digital currencies.<sup>1</sup>

One such case involved a subject who came to the attention of the Secret Service in 2017 as part of an investigation into a transnational cyber-crime organization that was facilitating criminal activity and laundering criminal proceeds. We believe that this investigation prevented the loss of approximately \$1.3 billion thanks to the coordination between law enforcement agencies, the National Cyber-Forensics and Training Alliance, and financial institutions.

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<sup>1</sup> Criminal activity related to digital currencies investigated by the Secret Service often involves violations relating to 18 U.S.C. §§ 1028, 1028A, 1029, 1030, 1343, 1956, 1957, 1960, and 3056(b).



The subject and a group of co-conspirators each had their own network of hackers, recruiters, collusive financial institution employees and cryptocurrency brokers and would engage in automatic teller machine (ATM) cash-out operations. In these types of sophisticated schemes, which are also referred to as “jackpotting,” thieves install malicious software and/or hardware at ATMs that force the machine to dispense huge volumes of cash on demand.

The Secret Service identified the subject as the principal money launderer for this transnational organization and arrested him in October 2019. Working in conjunction with other federal law enforcement partners, the Secret Service identified the subject as being associated with an organization controlled by units of the Reconnaissance General Bureau, a military intelligence agency of the Democratic People’s Republic of Korea (DPRK) engaged in criminal hacking. These military hacking units included members that have come to be known within the cyber-security community as both the Lazarus Group and Advanced Persistent Threat 38 (“APT38”).<sup>2</sup> In this criminal plot, the Government alleges that hackers attempted to steal more than \$1.3 billion from financial institutions and cryptocurrency companies through a series of cyber-enabled extortion schemes and ATM cash-outs.

On February 17, 2021, federal indictments identifying the subject and three DPRK nationals were unsealed. The subject was identified as a co-conspirator and the primary money launderer in this scheme that the Government alleges to have been perpetrated by the DPRK as well as non-state criminal actors. The subject pled guilty to \$60 million in fraud.

Though it may sound quaint compared to the technological savvy of cyber criminals, the counterfeiting of U.S. currency is still a core function of the Secret Service’s criminal investigative work, particularly overseas where higher quality counterfeit Federal Reserve Notes (FRNs) could cause disruptions if left unchecked. On March 15, 2021, our Sofia, Bulgaria Resident Office, in collaboration with the General Directorate for Combatting Organized Crime and the Sofia City Prosecutor’s Office conducted an operation against an organized criminal group. During the operation, two Bulgarian citizens were detained for the manufacturing, possession and distribution of counterfeit FRNs and counterfeit Euro (EUR) currency. As a result of this joint operation, approximately \$4 million in counterfeit FRNs and €3.6 million in counterfeit EUR was seized, along with the paraphernalia (intaglio plates, photographic films, and offset plates) utilized in manufacturing these counterfeit notes.

### **Training for Mission Success**

During the COVID-19 pandemic, the training staff at the Secret Service’s RTC remained steadfast in their commitment to provide current and relevant training to the workforce. After a two-and-a-half-month closure prompted by the pandemic, RTC re-opened in June 2020 – the second federal law enforcement training facility to safely do so.

To resume onsite training in an orderly, safe, and phased approach, RTC leadership established several COVID-19 working groups to address training, safety, and employee concerns. Additionally, to ensure continuity of on-campus operations, RTC partnered with Johns Hopkins

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<sup>2</sup> United States of America v. Hyok, Il, & Hyok. CR 2:20-cr-00614-DMG (Central District of California 2020). <https://www.justice.gov/usao-cdca/press-release/file/1367721/download#INDICTMENT>

and the Academy Operations working group to develop a COVID-19 Recovery Plan. This Recovery Plan, designed to mitigate risks associated with COVID-19, outlined use of PPE, thorough sterilization of facilities and equipment, and health screening procedures.

The dedicated public servants assigned to RTC continue to perform at the highest level to accommodate the throughput of new recruit classes as well as the in-service training that is critical to operational readiness. In-service training for agents assigned to the Presidential and Vice Presidential Protective Divisions, officers assigned to the White House Branch, and agents and officers assigned to the Special Operations Division remains a priority.

In terms of new recruits, the Secret Service's success in hiring directly impacts the number of basic training classes conducted at RTC. All special agent and UD recruits must successfully complete up to 20 weeks of training at RTC following their graduation from the Federal Law Enforcement Training Center. In FY 2021, the Secret Service expects to conduct 22 basic training classes which will continue to stretch capacity at facilities throughout the campus.

### Rowley Training Center

In terms of infrastructure improvements, the Secret Service continues to pursue smart investments at the RTC to ensure that our primary training campus does not fall into disrepair and has the future capacity to accommodate the specialized training requirements associated with the mission. The Secret Service has made progress in this area over the past five years by: renovating the outdoor rifle ranges, the live-fire shoot house, and the outdoor pistol range; and completing construction on the new canine training facility.

When I attend graduation ceremonies for new agents and officers, I am aware that for many new recruits the RTC campus is the first impression they have of Secret Service operations. I am committed to ensuring that RTC provides a training atmosphere that befits the mission by being an active steward of our existing facilities and continuing to evaluate improvements.

### Protection Assets and Infrastructure

In addition to our training infrastructure, the Secret Service has made considerable progress over the past several years in upgrading infrastructure and technologies at the White House Complex and other protective sites. Foremost in that regard is the Secret Service's Operational Mission Support (OMS) program, a multi-year effort that has resulted in major improvements to officer booths; vehicular gates; canine operations; off-site truck screening; cameras, alarms, and sensors throughout the Complex; and classified programs.

Perhaps the most visible security enhancement on the Complex is the replacement of the White House perimeter fence. In partnership with the National Park Service, construction of the new, permanent fence began in July 2019. Construction was substantially complete along the north fence line (Pennsylvania Avenue) in July 2020 and is nearing completion along the south fence line. Construction on the remaining phases is expected to continue through April 2022. After years of planning and design and getting required approvals from the National Capital Planning Commission and Commission of Fine Arts, it is encouraging to see this security enhancement take shape.

Another priority in recent years has been the recapitalization of the Secret Service's armored vehicle fleet. By the end of this year, the agency will have armored 435 base platforms, with 97 base platforms remaining to achieve the full armored vehicle fleet requirement. The research and development required for a new base vehicle platform now that the Chevrolet Suburban 3500 HD is no longer available is being conducted in partnership with the Department of State.

### **Conclusion**

As the Secret Service strives to meet its strategic benchmarks on hiring and retention, I am increasingly focused on ensuring that we appropriately balance the staffing requirements of the agency with the advanced training, infrastructure, and equipment our frontline agents and officers need to be successful. I am also committed to continuing improvements we have made over the past several years to our business operations, particularly in the areas of data governance and measuring our performance with the support of strong analytics.

On behalf of our dedicated public servants who carry out the mission everyday throughout our country and around the world, I appreciate the targeted investments provided by this Subcommittee over the past several fiscal years. Your support has amplified our successes in a range of operational areas, sustained our hiring efforts, helped improve morale and curtail attrition, strengthened our partnerships with state and local law enforcement, and provided for the replacement and enhancements of protective assets and technologies.

Chairwoman Roybal-Allard, Ranking Member Fleischmann, and distinguished members of the Committee, thank you for your continued support. I hope my testimony here today is helpful as you begin deliberations on the FY 2022 Budget in the coming weeks. I welcome your partnership and counsel as we make improvements for the betterment of the Secret Service's mission and the safety and well-being of the people who faithfully execute the mission.

This concludes my testimony. I am happy to answer any questions you have at this time.