

The Economics and Cost of Safety and Security for the United States in a Post-9/11 World: Waste, Expense, and Lack of Oversight

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Abstract

This paper will focus on the budget expenditures and realities that face the United States government with emphasis on how to balance the need for safety and security and yet not waste what are obviously limited financial resources. Obviously, since the face of terrorism is consistently evolving, it is important to note that the Department of Homeland Security must be even more diligent in the spending of resources. Therefore, there will be an examination of waste, inefficient areas of expenditure, and an examination of solutions to achieve efficient use of resources while attempting to protect the American public simultaneously. This dilemma presents an ongoing challenge to those within the American political system and establishment.

Introduction

As we approach record-breaking deficits, one of the challenges the government faces is how to spend American tax revenue. There are many budgetary priorities, with safety and security being main priorities in the American public's eyes. However, the reality is that given the slow growth of the American economy, expenditure of any kind must be carefully scrutinized. The essential issue to be considered is: given the budget deficit and lack of resources, waste and inefficiency at Homeland Security has become a pervasive problem that can only be cured by brief analysis of how spending is taking place, discussing some examples of waste, but more importantly, providing some analysis of ways to change the present situation. It is hoped by bringing attention to this topic and providing some possible solutions that a dialogue about this topic can be created which will enable the balance between safety and financial reality and efficiency to be maintained.

How Much Are We Spending?

In the current fiscal year, the Department of Homeland Security was allotted 57 Billion Dollars.¹ As an example, the Transportation Security Administration, one of the agencies within the Department of Homeland Security, is spending 14%² of that fiscal authorization. In looking at the FY 2012 appropriation, within that 57 Billion dollar figure, there is a State Grant program

¹United States Department of Homeland Security: *FY 2012 Budget Request*.

<http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012-overview.pdf>. Accessed May 24, 2012. p. 5. This source also provides a good comparison of the how the spending breaks down within the department from both a mandatory and discretionary standpoint. As noted, the complete budget request can be consulted by website within notes below.

²United States Department of Homeland Security. *Budget in Brief, Fiscal Year 2012*.

<http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf>. Accessed March 3, 2012. p. 19.

that had an allocation of 7% of the budget, or 3.99 billion dollars³. This State Grant program authorizes states to apply for Homeland Security program funds. The definition has been broadened to allow for more contingencies to fall under those which would qualify as security issues. This will be addressed later as a major area necessary for reform.

These expenditures become a larger and more urgent issue when one examines the current overall United States Federal Budget deficit situation and its impact on the economy. The deficit for fiscal year 2012 is projected to be 1.2 trillion dollars. This is \$93 Billion dollars larger than the deficit projected in January.⁴ The cumulative deficit for the United States is now more than 15.7 trillion dollars.⁵ Given that the nation's deficit is at an all-time high, it becomes even more of a priority to make sure that spending on the nation's security and transportation sectors is done in an efficient and cost effective manner.

Examples of Waste

In the U.S. House of Representatives report, released on May 9, 2012, an investigation was cited involving the procurement and storage of equipment by the Transportation Security Administration. At the Dallas Logistics Center in February of 2012, Congressional Committee Staff found 5,700 pieces of equipment valued at \$184 million.⁶ This equipment sat unused and had not been distributed for a period of six months. The agency had paid \$3.5 million to lease the warehouse space, yet apparently nobody knew according to the above report where this equipment had been.⁷

When evaluating resources, the issue of personnel and administration must also be assessed. Since 2001, there has been a 400% increase in the amount of employees at the Transportation Security Administration, yet passenger flights only increased 12% during that

³ United States Department of Homeland Security. *Budget in Brief, Fiscal Year 2012*.

<http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf>. Accessed March 3, 2012. p. 19.

⁴ Congressional Budget Office. *Updated Budget Projections: Fiscal Years 2012 to 2022*.

<http://www.cbo.gov/sites/default/files/cbofiles/attachments/March2012Baseline.pdf>. p. 1.

March, 2011. This source is an analysis to the government's best estimate of budget projections over the next decade. Even the source itself admits that projections are based on assumptions of revenue and economic growth.

⁵ U.S. National Debt Clock. http://brillig.com/debt_clock/. Accessed May 27, 2012.

⁶ United States House of Representatives Joint Majority Staff Report. *Airport Insecurity TSA's*

Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies.

May 9, 2012. <http://republicans.transportation.house.gov/Media/file/112th/Aviation/2012-05-09-Joint-TSA-Staff-Report.pdf>. p. 3.

⁷ United States House of Representatives Joint Majority Staff Report. *Airport Insecurity: TSA's*

Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies.

May 9, 2012. <http://republicans.transportation.house.gov/Media/file/112th/Aviation/2012-05-09-Joint-TSA-Staff-Report.pdf>. p. 3.

same period of time.⁸ With the percentage of air travel noted, it is interesting that the agency's staff needs have increased by such a large amount during this period.⁹ As well, with more than 65,000 employees, the TSA is larger than the Departments of Labor, Energy, Education, Housing and Urban Development, and State combined. Since 2002, the TSA has procured six contracts to hire and train more than 137,000 staff at a cost of \$2.4 billion dollars.¹⁰ It is interesting to note that because of low average salary for entry-level employees, there has been a tremendous amount of turnover at the agency. This too, becomes a waste issue because of an inability to retain and attract highly qualified personnel who want to stay in their positions. More employees have left the TSA than are currently employed at the agency.¹¹ This clearly indicates that retention and morale must be questions considered with this kind of rate of departure. It also leads to what seems to be constant re-training of entry-level employees because of the turnover rate. To not address these problems more aggressively has obviously contributed to a culture that only continues to lead to lower morale and not enough change in employee retention.

Another source of controversy is the development and use of explosive detection equipment. In 2009, \$1.1 Billion dollars of the American Recovery and Reinvestment Act (federal stimulus) was used to purchase explosive detection systems.¹² It was interesting to note that American Recovery and Reinvestment Act funds were used for this purpose given the amount of funding that the Department of Homeland Security currently receives. The purchase included Explosion Detection Systems, Advanced Imaging Technology Units, and Explosion Trace Detection units.¹³ On the one hand, to have Americans hear that such items are being purchased and deployed gives one a sense of security.

The Transportation Security Administration has a rather poor record in the actual deployment of purchased equipment noted above. When questioned by Congressional staff, TSA's warehouse and procurement personnel were unable to provide the total value of equipment in storage.¹⁴ How could those in charge of inventory not know the exact value of this

⁸ United States House of Representatives. *A Decade Later: A call for TSA Reform*. Joint Majority Staff Report. November 16, 2011. http://oversight.house.gov/wpcontent/uploads/2012/03/2011-11-16_TSA_Reform_Report.pdf. p. 3.

⁹ United States House of Representatives. *A Decade Later: A call for TSA Reform*. Joint Majority Staff Report. November 16, 2011. http://oversight.house.gov/wpcontent/uploads/2012/03/2011-11-16_TSA_Reform_Report.pdf. p. 3.

¹⁰ United States House of Representatives. *A Decade Later: A call for TSA Reform*. Joint Majority Staff Report. November 16, 2011. http://oversight.house.gov/wpcontent/uploads/2012/03/2011-11-16_TSA_Reform_Report.pdf. p. 3.

¹¹ United States House of Representatives. *A Decade Later: A call for TSA Reform*. Joint Majority Staff Report. November 16, 2011. http://oversight.house.gov/wpcontent/uploads/2012/03/2011-11-16_TSA_Reform_Report.pdf. p. 3.

¹² United States Department of Homeland Security. *Budget in Brief, Fiscal Year 2012*. <http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf>. Accessed March 3, 2012. p. 26.

¹³ United States Department of Homeland Security. *Budget in Brief, Fiscal Year 2012*. <http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf>. Accessed March 3, 2012. p. 26.

¹⁴ United States House of Representatives Joint Majority Staff Report. *Airport Insecurity: TSA's Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies*.

machinery? More disturbing is the evidence of how long some of this equipment had been in storage and not deployed by the TSA and the financial costs of such inaction. Congressional investigators discovered that 85% of the approximately 5,700 major Transportation Security equipment currently warehoused at the TLC had been stored for longer than six months; 35% of the equipment had been stored for more than one year.¹⁵ This would suggest that the department was good at purchase but rather poor at actual quick and appropriate deployment of machinery.

The Department of Homeland Security also has a habit of buying more quantity than is necessary to achieve bulk discount. As an example, the TSA, one of its key agencies, knowingly purchased more Explosive Trace Detectors to receive a bulk discount under an incorrect and baseless assumption that demand would increase.¹⁶ When asked about this practice by the Congressional investigators, TSA management stated: “we purchased more than we needed in order to get a discount.”¹⁷ This type of mentality and response is mind-boggling. It also is indicative of a thought process that is a bit lacking in common sense. As an observer of the procurement process as it is now completed, there seems to be a two-fold problem. The first is how the purchasing is done and the second is the lack of urgency to deploy equipment once purchased. Both issues cause a great waste of financial resources and potentially could place American security and protection in jeopardy. The evidence of how much equipment has been purchased unnecessarily is absolutely startling.

After the December 25, 2009 attempted attack on Northwestern flight 253 by what became to be known as the “underwear bomber,” the TSA then moved to make the AIT (body scanner) the primary use of scanning for explosive devices. However, the agency admits “it remains unclear whether or not the AIT would have detected the December 2009 incident that the agency has received.”¹⁸ This is a rather puzzling and startling conclusion. A great deal of money has been spent on these scanners and yet it is unclear whether or not they would meet this new kind of threat.

May 9, 2012. <http://republicans.transportation.house.gov/Media/file/112th/Aviation/2012-05-09-Joint-TSA-Staff-Report.pdf>. p. 3.

¹⁵ United States House of Representatives Joint Majority Staff Report. *Airport Insecurity: TSA’s Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies*.

May 9, 2012. <http://republicans.transportation.house.gov/Media/file/112th/Aviation/2012-05-09-Joint-TSA-Staff-Report.pdf>. p. 3.

¹⁶ United States House of Representatives Joint Majority Staff Report. *Airport Insecurity: TSA’s Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies*.

May 9, 2012. <http://republicans.transportation.house.gov/Media/file/112th/Aviation/2012-05-09-Joint-TSA-Staff-Report.pdf>. p. 4.

¹⁷ United States House of Representatives Joint Majority Staff Report. *Airport Insecurity: TSA’s Failure to Cost-Effectively Procure, Deploy and Warehouse its Screening Technologies*.

May 9, 2012. <http://republicans.transportation.house.gov/Media/file/112th/Aviation/2012-05-09-Joint-TSA-Staff-Report.pdf>. p. 4.

¹⁸ Lord, S. *Transportation Security Administration. Aviation Security: TSA Is Increasing Procurement and Deployment of the Advanced Imaging Technology, but Challenges to This Effort and Other Areas of Aviation Security Remain: Testimony Before the Subcommittee on Transportation Security and Infrastructure Protection, Committee on Homeland Security, House of Representatives*. March 17, 2010. <http://oversight.house.gov/wp-content/uploads/2012/03/3-26-12-Joint-TI-Lord-Testimony.pdf>. p. 9.

Another issue of concern is that, given the cost of the AIT (advanced imaging technology) and ETD (explosive trace detection), questions that remain about their effectiveness. It is clear that more research on cost-benefit analysis and effectiveness on these devices are necessary.

A key issue with both these types of technology is that they are not, to this point in time, good at detection of the presence of in-cavity or surgically implanted bombs or devices. As an example, Explosion Trace Detection can at this moment be easily defeated by the above in-cavity or surgically implanted device. ETD's can be defeated by numerous countermeasures and many EDT's only detect two popular explosive compounds.¹⁹ As well, there are serious issues that make EDT's and the TSA not functioning effectively in today's world. First, the agency overemphasizes hijacking or passengers who have explosive devices without having effective technology in place. Secondly, there is no real emphasis on flights arriving from foreign airports.²⁰

The newest concern mentioned above is the in-cavity or surgically implanted bomb on a passenger. There has been really has been no major effort given to this issue at this point by the Department of Homeland Security or TSA. These are tactics that are now being considered for usage and have already been used as has been shown by the previously mentioned December 25, 2009 flight incident. Congressman Peter King of New York, who is Chairman of the Homeland Security Committee in the House of Representatives and a member of the Permanent Select House Committee on Intelligence was interviewed on a Fox News "America Live" broadcast on May 22, 2012 over this very issue. He spoke of this issue as a grave concern: "the explosive or body cavity device which in which a bomb can be surgically implanted is an area of major concern not yet addressed. There is evidence already that doctors can perform this procedure. It should be viewed as a new and dangerous threat."²¹

Given that this is a new and potentially lethal threat, this would again indicate Homeland Security and the TSA are not allocating funds properly and adjusting resources to the newest and virulent threats that could face the United States. Efficient use of resources must include applying funds to those threats which are becoming more readily apparent.

To further indicate the inefficiency of operation, TSA managers are not properly and accurately reporting the amount of security breaches at the nation's airports. One cause of this is that the reporting process now in place is inefficient. In a May 14, 2012 article in the Star

¹⁹ Brant, B. *Terrorist Threats to Common Aviation: A Contemporary Assessment*. Combating Terrorism Center, West Point. <http://www.ctc.usma.edu/posts/terrorist-threats-to-commercial-aviation-a-contemporary-assessment>. Accessed May 22, 2012.

²⁰ Brant, B. *Terrorist Threats to Common Aviation: A Contemporary Assessment*. Combating Terrorism Center, West Point. <http://www.ctc.usma.edu/posts/terrorist-threats-to-commercial-aviation-a-contemporary-assessment>. Accessed May 22, 2012.

²¹ Vanburkar M. *Bret Baier Grills Jay Carney: 'Senate Democrats Have Not Passed Budget Resolution In 1,070 Days. Why?'* April 3, 2012. <http://www.mediaite.com/tv/bret-baier-takes-on-jay-carney-senate-democrats-have-not-passed-budget-resolution-in-1070-days-why/>.

Ledger by John O'Boyle, he states: "In looking at the federal report released by the Inspector General's Office of Homeland Security, TSA managers are not telling the head office about one-half of the security breaches that occur at nation's airports."²² This clearly indicates that TSA management is making conscious decisions not to report airport security breaches properly. Whether it is due to the inefficient reporting system or just a lack of follow-through, it makes American airports appear safer statistically than they are. This is not just inefficiency it is also misleading to the American public about its own security when using aviation.

Congressional oversight also contributes to the waste and inefficiency of the Department of Homeland Security. There are far too many committees within the United States House of Representatives and the United States tasked with the authority to provide oversight. This duplication has not only caused confusion but it has produced unnecessary bureaucracy and expense. The recommendation has been made in the past to decrease this duplication to allow more efficiency of oversight. In a 2004 white paper, the BENS task force indicated that "there needs to be a rational and streamlined structure to provide proper oversight of the Department of Homeland Security. There are 86 committees that provide direct or indirect oversight of the department."²³ This would mean that approximately 100 Senators and 412 members of the House were on committees that provided oversight at the time.²⁴ To have 86 congressional committees in 2004 with oversight function affects the operation, efficiency, and structure of the Department of Homeland Security. From a practical standpoint, this oversight is cumbersome, redundant, and expensive. One would assume such a recommendation would already have been acted on and implemented. Congress' not addressing the oversight issue given this initial finding has also contributed to the problem as well. Instead, it seems that the above problem has gotten worse since that initial 2004 report.

In 2010, Assistant Department of Homeland Security Jane Hall Lute was asked how many congressional committees had functional oversight. She indicated the number was 108.²⁵ In that same NPR interview, Congressman Peter King, Chair of the Homeland Security

²² O'Boyle, J. Security Breaches Underreported by TSA. *Star Ledger*. May 14, 2012.

http://www.nj.com/news/index.ssf/2012/05/report_nearly_half_of_security.html.

²³ Center for Strategic and International Studies – Business Executives for National Security.

Untangling the Web: Congressional Oversight and the Department of Homeland Security: Department of Homeland Security White Paper of the CSIS-BENS Task Force On Congressional Oversight of the Department of Homeland Security. Center for Strategic and International Studies. Dec. 2004.

http://csis.org/files/media/csis/events/041210_dhs_tf_whitepaper.pdf. For further coverage on these conclusions on Congressional oversight see *The 9/11 Commission Report*. W.W. Norton and Company. 2004. pp. 416-430.

²⁴ Center for Strategic and International Studies – Business Executives for National Security.

Untangling the Web: Congressional Oversight and the Department of Homeland Security: Department of Homeland Security White Paper of the CSIS-BENS Task Force On Congressional Oversight of the Department of Homeland Security. Center for Strategic and International Studies. Dec. 2004.

http://csis.org/files/media/csis/events/041210_dhs_tf_whitepaper.pdf. p. 3.

²⁵ NPR Staff. *Who Oversees Homeland Security? Um, Who Doesn't?* July 20, 2010.

<http://www.npr.org/templates/story/story.php?storyId=128642876>. Accessed May 21, 2012.

Committee in the U.S. House of Representatives said, “When the 9/11 commission made its report, the oversight of the department was 88 committees. Now it is 108. It has become a minefield and a tremendous source of time, delay, and confusion.”²⁶

It is positively amazing that such redundancy and growth in oversight exists. It has NOT produced substantial improvement in operation or efficiency. Clearly, this is a case where the legislative branch of government felt the need to give itself so much overlapping authority that even the senior Chair of the respective oversight committee is concerned. When you have even members in leadership positions of significance within the Congress concerned about waste and duplication of function in oversight, then the fundamental question that must be raised is: Why has it not been addressed?

Waste on the State Level

The Department of Homeland Security also has State Grant Homeland Security program where states can apply for funding. States may apply for funds and utilize them as they see fit within broad federal guidelines. The definition used to allow states to apply for these funds has been written much too broadly. The Homeland State Security Grant program allows state and local agencies to apply for funds using the following definition: “the HSSP supports the implementation of statewide homeland security strategies to address, identified planning, organization, equipment, training, and exercises to prevent, mitigate, respond and recover from acts of terrorism and other catastrophic events and other emergencies.”²⁷ The interesting thing is that these funds, including the Urban Areas Security Initiative, are all administered by the Federal Emergency Management agency. Prior to the creation of the Department of Homeland Security, this agency was more known for responding to climatic events and disaster relief. By broadening the definition to include such language as “other catastrophic events and other emergencies,” it is now easier for states and municipalities to apply for funds that actually would be normally more earmarked for terrorist and national security protection purposes. This vague a definition created an environment in which states applied for funds and did not spend them properly or for the purposes in which they were intended.

Another fundamental flaw that helps contribute to waste is the calculation on which the formula is done to distribute these monies. States in rural areas, either less or more populated, but are less likely to be targeted by terrorist attacks, receive money that is disproportionate to those that are more likely to be attacked.²⁸ As an example, for FY 2004, Wyoming, whose

²⁶ NPR Staff. *Who Oversees Homeland Security? Um, Who Doesn't?* July 20, 2010.

<http://www.npr.org/templates/story/story.php?storyId=128642876>. Accessed May 21, 2012.

²⁷ United States Department of Homeland Security. *DHS Announces Grant Guidance for Fiscal Year (FY) 2012 Preparedness Grants*. <http://www.dhs.gov/ynews/releases/20110217-dhs-fy12-grant-guidance.shtm>. Feb. 17, 2012 release.

²⁸ Rugey, V. *What Does Homeland Security Buy? AEI Working Paper #10*. 2004.

http://www.aei.org/files/2005/04/01/20050408_wp107.pdf. p. 16.

population accounts for .017% of the nation received .85% of the nation's state grants. In contrast, New York State, at the same time received 4.68% of this grant money while its population was 6.5% of the nation's total population.²⁹ Clearly, the formula here is not taking into account the probability of risk of an attack in relation to the assignment of funds. This also then allows states like Wyoming, under the more broad definition of the state grant program, to be more eligible for funding which it is less likely to need thus leading to more likelihood of waste or potential misuse.

To fully understand the significance of examples of waste under the State Grant program, some examples must be cited to show just how poorly government funding has been allocated. An excellent April, 26, 2011, *Fiscal Times* article outlined some outlandish spending. Some examples of questionable spending are noted here to demonstrate how funding has been spent under this program.

A town in North Pole Alaska with a population of 1,500 people was awarded \$600,000 for the purchase of homeland security and rescue equipment.³⁰ This town obviously is not one that would be of high priority in the risk assessment for particular attack. \$30,000 of Homeland Security State Grant funds were used to purchase a defibrillator for a local basketball tournament.³¹ Clearly, these are examples where guidelines were not appropriately developed to allocate and use resources effectively. Authorities in San Antonio, Texas spent federal state grant funds to acquire a first responder trailer that proved useless as it was too large and poorly designed.³² Officials in Los Angeles-Long Beach spent \$700,000 in Homeland Security State Grant funds on software to evaluate area law enforcement. However, the software proved to be dysfunctional for their purposes and they had to spend an additional \$1.3 million on the proper type of software³³ As referenced earlier, the expansion of the definition under which states can qualify for such grants only encourages them to apply. To reinforce this, in the same *Fiscal Times* article, U.S. Representative Peter King, Chair of the Homeland Security Committee in the House of Representatives said "The current formula encourages sending federal grants to places

²⁹ Ruy, V. *What Does Homeland Security Buy?* AEI Working Paper #10. 2004.
http://www.aei.org/files/2005/04/01/20050408_wp107.pdf. p. 16.

³⁰ Homeland Security Spends 700,000 in Useless Software. *Fiscal Times*.
<http://www.thefiscaltimes.com/Articles/2011/04/26/Homeland-Security-Spent-700000-on-Useless-Software.aspx#page1>.

³¹ Homeland Security Spends 700,000 in Useless Software. *Fiscal Times*.
<http://www.thefiscaltimes.com/Articles/2011/04/26/Homeland-Security-Spent-700000-on-Useless-Software.aspx#page1>.

³² Homeland Security Spends 700,000 in Useless Software. *Fiscal Times*.
<http://www.thefiscaltimes.com/Articles/2011/04/26/Homeland-Security-Spent-700000-on-Useless-Software.aspx#page1>.

³³ Homeland Security Spends 700,000 in Useless Software. *Fiscal Times*.
<http://www.thefiscaltimes.com/Articles/2011/04/26/Homeland-Security-Spent-700000-on-Useless-Software.aspx#page1>.

whether they need it or not.”³⁴ This suggests that there is a culture of allowing and encouraging spending that is unnecessary and fiscally irresponsible.

There are numerous examples of waste on the state level through the FEMA Homeland Security Grant State program that could be cited. The examples here were just to provide some insight into how the resources under this program haven been misspent. This State Grant program and waste is also consistent with what seems to be a culture of mismanagement and inefficiency that seems to permeate a number of structural and operational aspects of the department.

Solutions

It is a very complex dilemma to balance the safety and security of the nation from terrorist threat while doing so within a limited fiscal environment. The other difficulty that the government faces in attempting to allocate funds is that one cannot predict is the nature of economic growth and tax revenues generated from the American public. While these elements certainly can make solutions more challenging, there must be major structural and financial adjustments made which allow the country to be safe but to achieve that security by fiscal allocation that is responsible and appropriate.

In analyzing how to achieve or suggest solutions, it is also important to note that there is no simple answer to this problem that would be a panacea to solve the problem. Any solution or approach must be multi-faceted as this is an issue that has many factors which must be considered.

The first major solution would be to address the definition that is used for the Homeland Security State Grant Program. The definition as it now stands is much too broad. If one uses a definition which has a clause in it which says “strengthen our nation’s ability to prevent, protect, and respond to terrorist attacks, major disasters and other emergencies,” clearly presents issues. Whenever a definition like this is used to allow states, urban areas, municipalities, and non-profit organizations to apply for state grant funds, there is tremendous room for abuse. The definition needs to obviously be changed and made more content specific. The “major disasters and other emergencies” component should address really only relevant terrorist threat, prevention, preparedness, and protection. The cited language leaves too much room for interpretation thus allowing equipment and resources to be applied for which could be a misapplication of resources and, even more importantly, a waste of money.

³⁴ Homeland Security Spends 700,000 in Useless Software. *Fiscal Times*.
<http://www.thefiscaltimes.com/Articles/2011/04/26/Homeland-Security-Spent-700000-on-Useless-Software.aspx#page1>.

It is also clear that at some agencies within the Department of Homeland Security there is a lack of continuity. A perfect example of this addressed in the research is the Transportation Security Administration. As noted within, the tenure of those who work for the agency in lower-level positions tends not to be long-term. If one wants a quality workforce, then financial resources must be allocated in such a way that priorities to maintain worker morale, performance, and efficiency are maintained.

A first element of the above solution is to make sure that salaries are competitive with those performing similar security functions in the private sector. It is clear at the upper management level TSA salaries are adequate and might even be a bit inflated given the \$105,000 average salary of the bloated Washington, D.C. headquarters staff.³⁵ However, salaries for the average employee below the upper management level are not attractive or competitive enough. This certainly has contributed to a lack of morale and has caused the retention issue. It is obvious that salaries for those below upper-level management must be raised. This also is not just a question of fairness. It is also a question of safety. When lower-level workers are compensated more fairly, it creates an environment where employment responsibilities are taken more seriously. Also, creating a culture of pride within the agency at the entry employee level would lead to better employee attitude, job performance, and conduct towards the public.

Along with raising salaries at the entry level as noted above, it would be helpful to foster more of a climate where there is a system of promoting from within based on merit of performance. A clearer system of evaluation and accountability for performance should also be part of this process. Allowing people to have a promotional ladder that perceptually seems to be more within their grasp is also a necessity. By creating a promotion policy based on performance with clearer evaluative criteria for performance, then promotion of quality employees can occur from within the present workforce. Morale will increase markedly due to such changes.

With a greater degree of stability within an agency's workforce, then there will be a savings on training costs. From an economic standpoint, it is only logical that if you have employees that stay longer the organization will save on training costs because you are not constantly spending funds on the instruction and training of new employees.

Federal Government Budgetary Process

The Federal Government has been working without a formally passed budget for almost three years. It is general knowledge just from all media that the government appropriates based on what are called Continuing Budget Resolutions. It has been 1070 days since the United States

³⁵ Mica, J. *TSA — A Bureaucracy in Trouble*. The Hill Global Affairs Blog. March 15, 2011. <http://thehill.com/special-reports/transportation-march-2011/149771-tsa-a-bureaucracy-in-trouble>

Senate has passed a budget.³⁶ Typically, the passage of these Continuing Budget resolutions is subject to negotiation and tied to other crucial items such as the hike of the United States' debt ceiling. This can lead to partisan politics by both parties holding up the actual application of funding. The last major government shutdown of any duration was in 1995 during the Clinton administration.³⁷ It lasted 21 days and cost the government 1.25 billion³⁸ Up to this moment, there has not been any interruption of funds. Given the partisan nature of the current political environment, clearly budgetary reform is necessary or it could cause the Department of Homeland Security to become embroiled in the heated legislative environment. With any possibility of funding delay, American security could be subject to the whims of the legislative process.

If the budgetary process is done annually and not tied to these Continuing Budget Resolutions, then all federal agencies will have a much better idea of the funding they have for not only the current fiscal year, but beyond. Congress should face some kind of penalty if they do not pass a budget on an annual basis before the end of the current fiscal year. This would enable agencies also to better plan, project their needs, and also be able to be sure that funds are available that have been allotted because there has been no government shutdown or interruption of services.

Consolidation

It is clear that there needs to be a streamlining of the Department of Homeland of Security in terms of function and operations. At the moment, there is too much overlap and duplication of function within the department.

The Department of Homeland Security, with the numerous agencies under its structural umbrella, is clearly bureaucratic in nature. As an example of this, the former head of the Transportation Security Administration, Kip Hawley, wrote an April 15, 2012 Wall Street Journal editorial that addressed this very topic as it related to airport security. He said, "More than a decade after 9/11, it is a national embarrassment that the airport system and the TSA remains so hopelessly bureaucratic and disconnected from the people that it is meant to connect. The agency needs to be more flexible and reassessment is necessary."³⁹ This is an especially

³⁶ Vanburkar M. *Bret Baier Grills Jay Carney: 'Senate Democrats Have Not Passed Budget Resolution In 1,070 Days. Why?'* April 3, 2012. <http://www.mediaite.com/tv/bret-baier-takes-on-jay-carney-senate-democrats-have-not-passed-budget-resolution-in-1070-days-why/>.

³⁷ Hendin, R. and Montoli, B. *Budget Shutdown of 1995*. CBS News Political Hotsheet. February 23, 2011. http://www.cbsnews.com/8301-503544_162-20035053-503544.html.

³⁸ Hendin, R. and Montoli, B. *Budget Shutdown of 1995*. CBS News Political Hotsheet. February 23, 2011. http://www.cbsnews.com/8301-503544_162-20035053-503544.html.

³⁹ Hawley, K. *Why Airport Security is Broken and How to Fix it*. *Wall Street Journal*. April 15, 2012. <http://online.wsj.com/article/SB10001424052702303815404577335783535660546.html>

important observation as well. Who better to make a judgment than the man who headed the TSA from 2005-2009? As the former administrator of the TSA, he is in a perfect position to provide legitimate perspective. If even a former upper-level administrator from within the department views the system and department as bureaucratic that is a significant observation and conclusion.

This also would suggest that the entire department has become unmanageable in size and that consolidation is necessary to achieve more efficient operation given the limited resources of the government. Thus, those within the agency and framework themselves realize the structural and operational components could be better organized and made more efficient. This would provide a better assurance of sound functioning.

Oversight

A fundamental issue for current politicians, as noted in earlier portions of this paper, is how to allot a limited amount of financial resources that must be spent to provide appropriate monitoring of the Department of Homeland Security and all the affiliated agencies that now fall under its organizational structure. What people fail to realize is that oversight itself, while in theory a good and necessary thing, also costs money. If oversight is not done in an efficient and organized manner, then duplication and overlap exists. By statute, the United States House of Representatives and the United States Senate have authority to provide an oversight function for all federal agencies. As noted previously in my paper, it is clear that the oversight function as it presently exists is not working in a manner that is financially feasible or effective. Evidence previously presented proves this to be a valid issue that needs to be addressed.

It is evident that congressional oversight must be done in a more expedient and efficient manner or it just further contributes to the waste of money that already exists as presented here.

A more practical approach would be to streamline the oversight responsibility of Congress. One or two committees within each body should be responsible for the oversight function. Further, it would be appropriate to have members on such committees who have professional backgrounds or life experience relevant to such topics and issues that fall within the performance of these agencies. In this way, better advice and monitoring/functioning of operation can be provided.

An analogy could be drawn here to one of the most fundamental laws of economics; the Law of Scarcity. The resources to be able to conduct oversight are finite. They can be depleted. The present system of oversight, by having too many committees involved, also does not allow the department and agencies within it to function efficiently.

Conclusion

This paper presented some clear financial waste, management, and other issues that have plagued the Department of Homeland Security since its inception in 2001. When you create a cabinet department of this size that has so many subordinate agencies that are within its organizational structure, there are bound to be difficulties. This paper in no way should be taken as a condemnation of the department or those employees who work within it. The analysis here is meant to simply to create a conversation or dialogue about one of the most important cabinet agencies and some issues it faces that need to be addressed. It is hoped that those within government simply begin to communicate and evaluate how to make a good agency even better using taxpayer dollars more cost effectively to protect the American public.

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