

## **GAO Report to Congress April 2006 Contract Security Guards**

### **RESPONSE TO THE GAO REPORT :**

1a. **GAO.** *Chenega Technical Products (CTP) (now Chenega Integrated Systems, CIS) was awarded a large security contract as manufacturing company with no security experience.*

1b. **Response.** Several months before the award, Chenega Corporation hired a new CEO for CTP (hereafter known as Chenega). The CEO had over 30 years experience in security and special operations in the United States Army. His mission was to diversify Chenega into service contracts. Chenega immediately added the security NAICS code to the Chenega Pro Net page and notified the U.S. Small Business Administration (SBA). Chenega teamed with another established security firm (Vance Federal Security Services) Chenega is, and always has been, as required by the contract and SBA regulations, the prime contractor and in control of performance of Security Guard Contract

As part of the contracting process SBA represented Chenega as capable and the Army after review of Chenega's capabilities awarded the contract to it. Upon award, Chenega hired two retired Army Military Police Colonels with over 50 years of experience in the security arena. In staffing the installations, Chenega hired senior retired and former military police and law enforcement officers to oversee the job sites.

The Army contracts now have three prime contractors: two Alaskan Native Owned companies, Chenega and Alutiiq, and the third, AKAL. Chenega and Alutiiq were given direct awards. AKAL and Coastal International Security won their contracts in a full and open competition. AKAL now owns Coastal International Security.

2a. **GAO.** *The weak Army employment screening process resulted in the hiring of unscreened guards; that contractors were not conducting background checks and were hiring convicted felons.*

2b. **Response.** Chenega has always and continues to provide highly trained contract security guards in support of the Army's Guard Program. Our program office provides the quality assurance, human resources, training, administration, documentation, and related functions necessary to ensure the performance and productivity at our job sites. We launch an intensive and multi-faceted recruitment process at each site designed to attract those candidates best suited to fulfill the requirements. We are committed to attracting the best candidates to meet the personnel requirements as specified with the Performance Work Statement. We ensure our guard candidates are U.S. citizens, 21 years of

age, fluent and able to read and write English, carry a valid driver's license, and be capable of obtaining a SECRET security clearance. Our guard candidates must undergo and pass an in depth screening interview, background check, medical examination, drug screening, and physical agility test before they are advanced to the training phase. The final step in certifying a security officer for performance is the site supervisor's assessment and recommendation to the contracting officer representative that the security officer candidate meets all pre-employment conditions and training standards and is assessed suitable for a position of trust based on the following reliability criteria:

RELIABILITY CRITERIA	DISQUALIFYING FACTORS
Loyalty	Any behavior or known membership in an organization that unlawfully advocates the overthrow of the Government of the United States.
Foreign Preference/Connections	Any behavior or acts that would be considered serving the interest of another government in preference to the interests of the United States. Any behavior that would make the individual vulnerable to coercion, influence, or pressure that may cause conduct contrary to the national interest.
Security Responsibility Consistent With Scope of Work	Any behavior that disregards public law, statutes, executive orders, or regulations, including violation of security regulations or practices or unauthorized disclosure of classified information.
Criminal Misconduct	Civil conviction of a serious nature, such as a felony; or a pattern of behavior or actions reasonably indicative of a contemptuous attitude toward the law or other duly constituted authority.
Mental or Emotional Disorders	Any significant physical or mental condition, substantiated by a competent medical authority that may impair the individual's ability to perform assigned duties, or any character trait, or aberrant behavior that the certifying official believes is prejudicial to reliable performance of the duties of a particular police or security officer position.
Financial Matters	Excessive indebtedness, recurring financial difficulties, or unexplained affluence.
Alcohol and/or Drug Abuse	Any possession, use, or distribution of alcohol or drugs that adversely affects reliability or job performance or persons medically diagnosed as alcohol or drug dependent.
Falsification/Refusal to Answer	Any knowing and willful falsification, cover-up, concealment, misrepresentation, or omission of material used by federal agencies to determine reliability.
Sexual Misconduct	Any acts of perversion indicative of moral turpitude, poor judgment, or lack of regard for the laws of society.
Work Performance	Any behavior that is considered negligence, insubordination, or delinquency in performance of duty.

3a. **GAO.** *There is a general lack of Government oversight of the guards' training, as well as poor record keeping on the part of the contractors and inconsistent training techniques.*

3b. **Response.** According to GAO out briefs at Chenega audited sites, all training was completed in accordance with the Performance Work Statement.

Oversight of the Chenega Training Program is conducted through the use of certified Regional instructors, certified on-site instructors, job site managers, Regional Operations Directors, and quality assurance visits by both the Program Manager and the Vice President for Security Services.

Training is divided into four modules totaling 120 hours, with each module requiring the candidate to pass associated training standards before advancing to the next module. Instruction is provided by our cadre of trainers certified by nationally recognized organizations. The training principles of instruction are tailored to address the unique operating procedures to be implemented at each post on the job site. Leader and recurring training and annual re-certifications are part of the core curriculum. Chenega conducts all training in accordance with the Performance Work Statement.

### **The GAO Review Process and Findings as related to Chenega:**

GAO audited three Chenega job sites (Fort Myer/McNair; Fort Detrick (Vance) and Adelphi Labs (Vance) in June 2005.

During an out brief at Fort Myer, Fort Detrick, and Adelphi Labs with contractor, GAO, and U.S. Government officials, reported findings concerning our performance and the management of the contract were identified as minor administrative errors. **There were no findings where Chenega did not conduct background checks. Nor were there any findings that Chenega hired known felons.**

### **Findings identified by the GAO:**

- Fort Myer/McNair (Chenega Job Site).
  - All training was completed IAW the Performance Work Statement (PWS).
  - There was one example of a hire date before a Local Agency Check was completed.
  - There was one example of a training certificate (our 120-hour course diploma) being dated one date before the course was completed. All training was completed.
  
- Fort Detrick (Vance Job Site).
  - All training was completed IAW the PWS.
  - All Local Agency Checks and National Agency Checks were completed.
  - Of all the samples audited, all training certificates were dated prior to the completion of training (most likely caused by a trainer “pre-dating” the diplomas and not using the actual date).
  
- Adelphi Labs (Vance Job Site).
  - All training was completed IAW the PWS.

- All Local Agency Checks and National Agency Checks were completed.
- There was one example of a training certificate (our 120-hour course diploma) being dated one date before the course was completed. All training was completed.

**One final note...**

When asked by GAO auditors why the Alaska Native Corporations were selected to fulfill requirements for the third acquisition phase of the Army's contract, the GAO report cites, *"ACA officials told us that the Army returned to the ANC firms in part because doing so was an easy method of obtaining security guards and because they were pleased with the ANC firms' performance."* (page 14)