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TRANSPORTATION
SECURITY
ADMINISTRATION

TSA Executive
Attrition Has
Declined, but Better
Information Is Needed
on Reasons for
Leaving and Executive
Hiring Process



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Highlights of [GAO-10-139](#), a report to Senate and House Committees on Appropriations

TRANSPORTATION SECURITY ADMINISTRATION

TSA Executive Attrition Has Declined, but Better Information Is Needed on Reasons for Leaving and Executive Hiring Process

Why GAO Did This Study

The Transportation Security Administration's (TSA) Transportation Security Executive Service (TSES) consists of executive-level staff serving in key agency positions just below political appointees. Committees of Congress have raised questions about the frequency of turnover within the TSES and have directed GAO to examine turnover among TSES staff. Accordingly, this report examines: (1) TSES attrition and how it compares with that of Senior Executive Service (SES) staff in other DHS components and cabinet-level departments, (2) the reasons TSES staff separated from TSA, and (3) TSA efforts to manage TSES attrition consistent with effective management practices. To answer these objectives, GAO analyzed data within the Office of Personnel Management's Central Personnel Data File, reviewed TSA human capital policies and procedures, and interviewed former TSES staff. The results of these interviews are not generalizable, but represent the views of about half the TSES staff who separated from fiscal years 2005 through 2008.

What GAO Recommends

GAO recommends the TSA enable TSES staff to identify their level of employment when completing exit surveys and better document how it applies merit staffing requirements when hiring TSES staff. TSA concurred with GAO's recommendations and has taken steps to implement them.

[View GAO-10-139 or key components.](#)
For more information, contact Stephen M. Lord at (202) 512-8777 or lords@gao.gov.

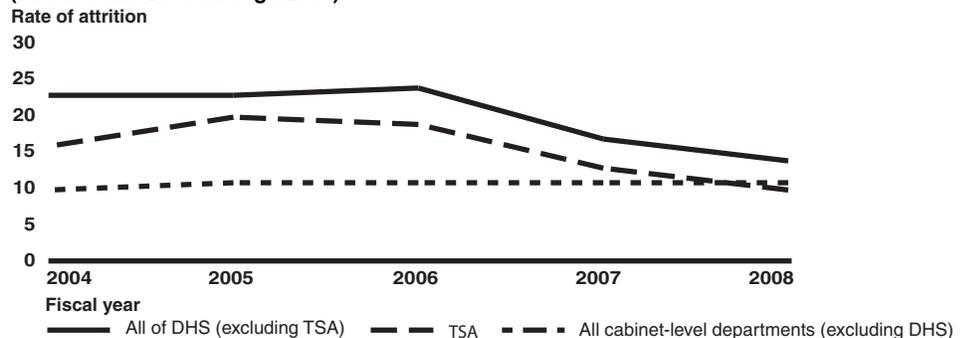
What GAO Found

Separation data from fiscal years 2004 through 2008 show that attrition among TSA's TSES staff was consistently lower than the rate of attrition among all DHS SES staff and, through 2007, higher than SES attrition for all other cabinet-level departments. Separations among TSES staff peaked at 20 percent in fiscal years 2005, but declined each year thereafter, and resignations (as opposed to retirements, terminations, transfers to other cabinet level departments, or expirations of a term appointment) were the most frequent type of TSES separations over this period.

In interviews with 46 former TSES staff, the majority (36 of 46) identified at least one adverse reason (that is, a reason related to dissatisfaction with some aspect of their experience at TSA) for leaving, as opposed to a nonadverse reason (such as leaving the agency for another professional opportunity). The two most frequently cited reasons for separation were dissatisfaction with the leadership style of the TSA administrator or those reporting directly to him (14 of 46) and to pursue another professional opportunity (14 of 46).

To better address TSES attrition and manage executive resources, TSA has implemented measures consistent with effective human capital management practices and standards for internal control in the federal government. These measures include, among other things, reinstating an exit survey and establishing a process for hiring TSES staff that encompasses merit staffing requirements. However, TSA could improve upon these measures. For example, due to TSA officials' concerns about respondents' anonymity, TSA's new exit survey precludes TSES staff from identifying their position. Without such information, it will be difficult for TSA to identify reasons for attrition specific for TSES staff. Moreover, inconsistent with internal control standards, TSA did not document its adherence with at least one merit staffing procedure for 20 of 25 TSES hired in calendar year 2006 and 8 of 16 TSES hired in calendar year 2008. Although there are internal mechanisms that provide TSA officials reasonable assurance that merit staffing principles are followed, better documentation could also help TSA demonstrate to an independent third party, the Congress, and the public that its process for hiring TSES staff is fair and open.

Comparison of Attrition Rates among Executives at TSA, DHS, and Cabinet-level Agencies (Fiscal Years 2004 through 2008).



Source: GAO analysis of data from OPM's Central Personnel Data File.

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United States Government Accountability Office
Washington, DC 20548

October 9, 2009

The Honorable Robert C. Byrd
Chairman
The Honorable George V. Voinovich
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
United States Senate

The Honorable David E. Price
Chairman
The Honorable Harold Rogers
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
House of Representatives

In response to the terrorist attacks of September 11, 2001, the President signed the Aviation and Transportation Security Act (ATSA) into law on November 19, 2001, establishing the Transportation Security Administration (TSA) as the agency responsible for securing the nation's transportation systems, including civil aviation, highways, railroads, buses, mass transit systems, ports, and pipelines.¹ Immediately after its formation, TSA began assembling a cadre of senior-level career staff to help establish the new agency. These staff members became part of the agency's Transportation Security Executive Service (TSES), which—similar to the Senior Executive Service (SES) of other executive branch agencies—is comprised of individuals selected for their executive leadership experience and subject area expertise to serve in key agency positions just below presidential appointees.

In June 2007, a report of the Committee on Appropriations of the House of Representatives noted that TSA had frequent and sustained attrition within its TSES ranks, resulting in a lack of historical knowledge about the

¹TSA was initially created as an agency within the Department of Transportation. See Pub. L. No. 107-71, § 101(a), 115 Stat. 597 (2001) (codified as amended at 49 U.S.C. § 114). In March 2003, TSA, along with 21 other agencies, was transferred to the newly established Department of Homeland Security (DHS). See Pub. L. No. 107-196, § 403(2), 116 Stat. 2135, 2178 (2002).

programs and policies of the agency.² We have also reported that the extensive loss of experienced workers can lead to critical gaps in an agency's leadership, skills, and institutional knowledge.³ Due to its concern over TSA executive turnover, the Committee, in its report, encouraged TSA to take appropriate measures to build a stable, senior executive workforce so that when a change in political administration occurs, the agency can continue operating throughout the transition period without a diminution in transportation security oversight. Subsequently, the explanatory statement accompanying the DHS Appropriations Act, 2008, directed GAO to examine attrition—defined in this report as any type of separation from service (e.g., resignation, retirement, transfer)—among TSES staff since the agency's formation.⁴ Accordingly, this report addresses the following questions:

1. What has been the attrition rate among TSES staff for fiscal years 2004 through 2008, and how does it compare to attrition among SES staff in other DHS components and cabinet-level departments?⁵
2. What reasons did former TSES staff provide for leaving TSA, and how do current TSA officials and industry stakeholders view the impact of TSES attrition on TSA's operations?
3. To what extent are current TSA efforts to manage TSES attrition consistent with effective human capital practices and standards for internal control in the federal government?⁶

²See H.R. Rep. No. 110-181, at 63 (June 8, 2007) (accompanying H.R. 2638, the DHS Appropriations Bill, 2008).

³GAO, *Older Workers: Federal Agencies Face Challenges, but Have Opportunities to Hire and Retain Experienced Employees*, [GAO-08-630T](#) (Washington D.C.: Apr. 30, 2008).

⁴See Explanatory Statement accompanying Division E of the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, 121 Stat. 1844, 2042 (2007), at 1054. The Explanatory Statement directed GAO to “report on the history of senior executive service-level career turnover since the formation of TSA.” As such, our analysis does not include turnover among political appointees or senior-level TSA staff who do not hold executive-level positions even though some of these individuals perform work similar to TSES staff. For example, Federal Security Director (FSD) positions at larger airports are TSES-level, while FSD positions at smaller airports, generally, are not. In our analysis we only included turnover among TSES-level FSDs.

⁵These cabinet-level departments are the Departments of Agriculture, Commerce, Education, Energy, Defense, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury, and Veterans Affairs.

To address the first objective, we obtained fiscal year 2004 through 2008 data from the Office of Personnel Management’s (OPM) Central Personnel Data File (CPDF) to determine the rate of attrition among TSES staff and SES staff in other DHS components and cabinet-level departments.⁷ We selected this time period because 2004 was the first full fiscal year during which TSA was a part of DHS after transferring from the Department of Transportation in March 2003, and 2008 was the most recently completed fiscal year for which attrition data were available in CPDF. To calculate attrition rates, we divided the total number of TSES who separated in a given fiscal year by the average number of TSES employed by the agency for that fiscal year.⁸ For these calculations, we included all separation types—that is, the manner in which the TSES or SES staff member left the agency or department, such as through resignation, transfer to another cabinet-level department, retirement, termination, and expiration of a term appointment.⁹ However, we did not include transfers from TSA to other SES positions within DHS because this information was not readily identifiable within CPDF data. We found CPDF data sufficiently reliable for the purposes of this study. In addition to calculating the overall rate of attrition for TSA, DHS, and cabinet-level departments, we also calculated attrition rates for each separation type. To place TSA’s senior executive

⁶Internal controls comprise the plans, methods, and procedures an agency uses to provide reasonable assurance that it can meet its missions, goals, and objectives; they also serve as the first line of defense in safeguarding assets and preventing fraud, waste, and abuse. A general framework for internal controls has been adopted by leading accountability organizations, including the GAO, the International Organization of Supreme Audit Institutions, and the U.S. Office of Management and Budget (OMB). See GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington D.C.: November 1999).

⁷OPM’s Central Personnel Data File is a repository of selected human capital data for most executive branch employees, including separations data. Political appointees were not included among the TSES and SES data we analyzed. Furthermore, for agencies like TSA that do not have SES, we included SES-equivalent positions. When we refer to “executives” throughout this report, we are referring to TSES, SES, and SES-equivalent positions.

⁸More specifically, we determined the average number of TSES employed in a given fiscal year by averaging (1) the number of executive staff in the CPDF as of the last pay period of the fiscal year prior to the fiscal year for which the attrition rate was calculated and (2) the number of executive staff in CPDF as of the last pay period of the fiscal year in which the attrition occurred.

⁹For all DHS SES attrition calculations, we included all SES staff separations from department-level employment, except those from TSA. For all cabinet-level department SES attrition calculations, we included all SES staff separations from cabinet-level departments except those from DHS. GAO does not generally present percentages when the total population is less than 50. For this reason, this report discusses changes in the rate of executive employment only for TSA, DHS, and all cabinet-level departments—each of which has executive populations numbering over 50.

attrition rate in context, we compared it to the overall DHS SES attrition rate (excluding TSA) and the overall SES attrition rate for all other cabinet-level departments (excluding DHS).

To obtain data on the reasons why former TSES chose to separate from TSA, we conducted interviews with 46 TSES staff who left the agency during fiscal years 2005 through 2008. To identify interviewees, we obtained a list from TSA of all TSES staff who left the agency during fiscal years 2005 through 2008—a total of 95 individuals.¹⁰ From this list, we ultimately selected a nonprobability sample of 46 individuals for interviews in order to achieve diversity among the following three characteristics—fiscal year of separation (2005 through 2008), manner of separation (resignations, retirements, etc.), and job location (headquarters or field).¹¹ To categorize the reasons why the 46 TSES staff separated, we conducted a content analysis of their responses to our open-ended interview question asking them to describe the reasons why they left the agency. Although our sample did not allow us to generalize about the reasons for all TSES separations from fiscal years 2005 through 2008, it did provide us with the perspectives on why nearly half of these TSES staff left TSA. To obtain information on the impact of TSES staff attrition on agency operations, we conducted interviews with 22 TSA staff who were direct reports to—that is, staff who were directly supervised by—at least one of the TSES staff who separated from TSA during fiscal years 2005 through 2008, as well as 7 TSA officials who had supervised at least one of

¹⁰TSA could not readily provide us data for TSES staff separating in fiscal year 2004 (due to a change in its data system for tracking human capital data). Therefore we were unable to interview staff from this period.

¹¹Initially, we attempted to select former TSES staff based on a probability sample in order to generalize about the reasons for TSES separation. Of the 46 TSES we interviewed, 31 were selected based upon a randomized list of the 95 separated TSES created to select this probability sample. However, we were unable to obtain an acceptable response rate for our sample, at which point we determined we would continue interviewing separated TSES until we had obtained responses from about half of the 95 separated TSES staff. We selected the remaining 15 separated TSES staff in our sample of 46 so that our entire sample would have similar proportions of three characteristics (fiscal year of separation, manner of separation, and job location) as the population of 95 TSES staff. For example, 66 percent of the 95 TSES who separated from 2005 through 2008 were employed at headquarters, and of the TSES we selected for interviews, about 70 percent had held headquarters positions. Ultimately, to obtain our sample of 46 TSES, we contacted a total of 70 of the 95 separated TSES, and of these 70, 24 did not respond to our request for an interview. See app. I for more information on our sample of TSES.

these former TSES staff members.¹² To obtain perspectives on how TSES attrition may have impacted TSA's ability to work with stakeholders, we obtained information from seven industry associations representing various transportation sectors that collaborate with TSA on transportation security initiatives—three aviation, one surface, and three maritime associations. We identified these associations based upon our existing knowledge of contacts at various associations and by canvassing GAO's team of transportation security analysts for additional contacts. The results of our interviews with direct reports, supervisors, and industry stakeholders are not generalizable, but do provide a range of perspectives on the impact of TSES attrition.

To gather information on the extent to which current TSA efforts to manage TSES attrition are consistent with effective human capital practices and internal control standards, we first reviewed past GAO reports identifying effective human capital practices as well as the standards for internal controls in the federal government.¹³ We also reviewed applicable OPM regulations addressing merit staffing.¹⁴ We conducted interviews with TSA human capital officials on efforts underway and reviewed relevant documentation, such as TSA's exit interview protocols (past and planned), completed exit interviews with separated staff, succession plans, and procedures for hiring TSES staff which incorporate merit staffing requirements. We also reviewed all case files containing documentation of the merit staffing procedures TSA followed for the competitive selection of all individuals for career TSES appointments from March 2006—when TSA established its hiring

¹²We selected direct reports for interviews by asking the TSES staff members we interviewed for names of individuals who directly reported to them and who were still working at TSA; they provided us with 52 names, and we requested interviews with 25 of these. For the TSES supervisor interviews, TSA provided us with names of all 9 of the TSES still working at TSA who supervised any of the 95 TSES staff who separated during fiscal years 2005 through 2008; we conducted interviews with all but 2 of the supervisors identified.

¹³Specifically, we reviewed the following GAO reports: GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 2002), and GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: December 2003). For internal controls standards, we reviewed GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington D.C.: November 1999).

¹⁴See 5 C.F.R. pt. 317.

process—through the end of calendar year 2006 and for all of calendar year 2008.¹⁵

We conducted this performance audit from April 2008 to October 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives. Additional details on our scope and methodology are included in appendix I.

Background

Human Capital Authorities and Flexibilities Available to TSA with Regard to Its Executive Staff

ATSA applied the personnel management system of the Federal Aviation Administration (FAA) to TSA employees, and further authorized TSA to make any modifications to the system it considered necessary.¹⁶ Therefore, similar to FAA, TSA is exempt from many of the requirements imposed and enforced by OPM—the agency responsible for establishing human capital policies and regulations for the federal government—and, thus, has more flexibility in managing its executive workforce than many other federal agencies.¹⁷ For example, compared to agencies operating

¹⁵We were interested in comparing how TSA followed its staffing policies, when they were initially created in 2006, with how it has followed them more recently in 2008—the most recent full calendar year when we undertook our review. Therefore, we did not review case files from 2007.

¹⁶See 49 U.S.C. § 114(n).

¹⁷See 49 U.S.C. § 40122 (requiring the establishment of an FAA personnel management system that, with certain exceptions, falls outside the authority of OPM and is to provide for greater flexibility in the hiring, training, compensation, and location of personnel). Many other executive branch agencies operate executive programs that are excluded from the SES by statute. These include, for example, the legislative and judicial branch agencies; independent government corporations; the Central Intelligence Agency; the Federal Bureau of Investigation; Drug Enforcement Administration; and certain financial management regulatory agencies, among others. However, in commenting on a draft of this report, OPM stated that in many instances executives at these agencies continue to be covered by Title 5 of the U.S. Code and OPM regulations. OPM is charged with ensuring that the federal government has an effective civilian workforce; specifically, it oversees the execution, administration, and enforcement of civil service laws, including the rules and regulations addressing a host of human capital issues, such as the selection, performance, pay, and separation of employees, including those pertaining to SES. See generally Civil Service Reform Act of 1978, Pub. L. No. 95-454, 92 Stat. 1111, as amended.

under OPM's regulations, TSA is not limited in the number of permanent TSES appointments and limited term TSES appointments it may make and the types of positions limited term TSES appointments may be used for. Also, TSA has more discretion in granting recruitment, relocation, or retention incentives to TSES staff than other agencies have for SES staff (see table 1).

Table 1: Differences between OPM and TSA Policies and Procedures Related to Executive Staff^a

Categories of executive service policies and procedures	Policies and procedures related to executive staff at OPM-regulated agencies	Policies and procedures related to executive staff at TSA
Types of executive appointments	<p>There are four types of executive appointments:</p> <p>Career: an appointment in which the SES must be selected through merit staffing and have executive core qualifications (ECQs) approved by OPM; career appointees may fill any agency position, and may move to SES positions at other agencies without undergoing merit staffing or ECQ approval.^b</p> <p>Noncareer: an appointment in which the SES may be selected through merit staffing and does not have ECQs approved by OPM; noncareer appointees may only fill certain positions approved for noncareer appointments.</p> <p>Limited term: an appointment in which the SES does not have to be selected through merit staffing or have ECQs approved by OPM; appointees may only fill certain positions for a limited duration.</p> <p>Limited emergency: an appointment in which the SES does not have to be selected through merit staffing or have ECQs approved by OPM; appointees may only fill certain designated positions established to meet an unanticipated, urgent need.</p>	<p>There are two types of executive appointments:</p> <p>Career: an appointment in which the TSES must be selected through merit staffing and have ECQs approved by OPM; career TSES appointees may fill any agency position and may move to SES positions at other agencies, pursuant to the OPM-DHS interchange agreement, without undergoing merit staffing or ECQ approval.</p> <p>Limited term: an appointment in which the TSES does not have to be selected through merit staffing or have ECQs approved; limited term appointees may fill any position in the agency, but may not move to another SES position outside of the agency without first being selected through merit staffing and having their ECQs approved by OPM.</p>
Duration of limited term appointments	<p>Limited term appointments are up to 3 years in length.</p> <p>Limited emergency appointments are up to 18 months in length.</p>	<p>No limit on the duration of limited term appointments, but TSA has self-imposed a 3-year limit.^c</p>

Categories of executive service policies and procedures	Policies and procedures related to executive staff at OPM-regulated agencies	Policies and procedures related to executive staff at TSA
Limitations on term appointments as a percentage of total executive positions.	<p>Noncareer appointments cannot exceed 25 percent of the number of SES positions allocated to the agency and 10 percent of the number of SES positions governmentwide.</p> <p>Limited term appointments cannot exceed 5 percent of the number of SES positions governmentwide. By regulation, agencies may approve limited appointments up to 3 percent of the agencies' allotted number of SES positions. OPM approval is required for additional appointments.</p>	No limit on the number of term appointments.
Compensation Ceiling	<p>For SES under an appraisal system certified by OPM and the Office of Management and Budget (OMB) as making distinctions in pay based upon performance, the pay cap is Level II of the Executive Schedule, (\$177,000 in 2009). For SES who are not under a certified appraisal system, the pay cap is Level III of the Executive Schedule (\$162,900 in 2009).</p> <p>SES pay is subject to an aggregate limitation on pay plus pay incentives (such as cash award for performance or retention bonus) up to Level I of the Executive Schedule (\$196,700) or up to the Vice President's salary (\$227,300 in 2009) for an SES member under an appraisal system certified OPM and OMB.</p>	<p>The TSES maximum rate of basic pay is equal to that of Level II of the Executive Schedule.</p> <p>TSES pay is generally subject to an aggregate limitation on pay plus pay incentives (such as cash award for performance or retention bonus) up to the Vice President's salary (\$227,300 in 2009).</p> <p>For unique circumstances, the TSA Assistant Administrator of the Office of Human Capital may waive the limit on aggregate pay up to \$250,000, but only for the purposes of a recruitment, relocation, or retention incentive.</p>

Source: GAO analysis of TSA and OPM guidance on senior executive programs.

^aThe table does not identify and describe all differences in human capital policies applicable to the TSES and the SES of other agencies.

^bPursuant to merit staffing requirements, which OPM established by regulation, agencies must provide for fair and open competition in their hiring process (by, for example, requiring that all candidates be evaluated against stated position requirements). See 5 C.F.R. pt. 317. Qualifications review boards (QRB) are convened by OPM and are responsible for reviewing and approving applicants' executive core qualifications (ECQ)—five executive skill sets (leading change, leading people, results driven, business acumen, and building coalitions) that OPM has determined are needed to succeed in a variety of SES positions. To be evaluated by a QRB, candidates submit written narratives identifying how they have demonstrated proficiency in each of the ECQs over their career. SES and TSES staff members who have been selected through merit staffing and who have had their ECQs approved by a QRB are considered to have been "competitively placed." As such, these individuals are no longer subject to the merit staffing and ECQ approval processes for any subsequent position once they fulfill a probationary assignment period.

^cTSA began limiting limited term appointments to 3 years in 2006; prior to this period, some appointments may have been made for different lengths of time.

^dBy statute, maximum rates for SES and senior federal government employees are defined by reference to the Executive Schedule, which consists of five pay levels – Level I through Level V, and applies to positions identified in 5 U.S.C. § 5312 through § 5316. Level I encompasses the highest level of executive pay (\$196,700 for 2009); Level II encompasses the second highest (\$177,000 for 2009), etc.

One benefit available to career-appointed SES in OPM-regulated agencies is that once they are accepted into the SES of their agency, they can apply

for and obtain SES positions in other OPM-regulated executive branch agencies without undergoing the merit staffing process. DHS and OPM signed an agreement in February 2004 which also allows career-appointed TSES staff the benefit of applying to SES positions without being subject to the merit staffing process. Under the provisions of the agreement, TSA must ensure that all TSES staff selected for their first career TSES appointment (1) are hired using a process that encompasses merit staffing principles and (2) undergo the ECQ-evaluation process.¹⁸ Consistent with OPM regulations,¹⁹ a hiring process that encompasses federal merit staffing requirements should include:

- public notice of position availability,
- identification of all minimally eligible candidates,
- identification of position qualifications,²⁰
- rating and ranking of all eligible candidates using position qualifications,²¹
- determination of the best qualified candidates (a “best qualified list”),²²
- selection of a candidate for the position from among those best qualified, and
- certification of a candidate’s executive and technical qualifications.

TSES Positions within TSA

TSA has consistently employed more senior executives than any other DHS component agency; however, as shown in table 2, from fiscal years 2005 through 2008, TSA went from being one of the DHS components with the highest numbers of executive staff per nonexecutive staff, to one of the components with the fewest executive staff per nonexecutive staff. Specifically, out of eight DHS components, TSA had the third highest

¹⁸Under TSA policy, however, individuals who are being considered for limited term TSES appointments do not need to be subject to merit staffing requirements or the ECQ-evaluation process before being hired, in which case they would not be eligible for transfer to an SES position in another federal agency without undergoing the merit staffing process, per the interchange agreement, unless they were already an SESer prior to employment at TSA.

¹⁹See generally 5 C.F.R. pt. 317.

²⁰Qualifications contain descriptions of the knowledge, skills, abilities, and other job-related factors required for the position.

²¹Rating involves the agency’s effort to differentiate among eligible candidates on the basis of knowledge, skills, abilities, and other job-related factors, which are generally identified or based upon descriptions within the position qualifications. See 49 C.F.R. § 317.501(c)(3).

²²Determination of those candidates who are best qualified is based upon the rating and ranking process.

number of executives per nonexecutive staff in 2005; however, by fiscal year 2008, TSA had the third lowest number of executives per nonexecutive staff. Compared with DHS overall, TSA had the same number of executive per nonexecutive staff as DHS in 2005, but over the 4-year period, the number of TSA executive to nonexecutive staff declined, while that of DHS increased. Moreover, the number of TSA executive staff per nonexecutive staff was consistently lower than that of all cabinet-level departments for fiscal years 2005 through 2008 (see table 2).

Table 2: Number of Executive-level Staff Employed per Thousand Nonexecutive Staff at DHS Agencies and TSA for Fiscal Years 2005 through 2008

DHS components or departments ^a	FY 2005		FY 2006		FY 2007		FY 2008	
	Average number of executives ^b	Executives per thousand nonexecutive staff	Average number of executives	Executives per thousand nonexecutive staff	Average number of executives	Executives per thousand nonexecutive staff	Average number of executives	Executives per thousand nonexecutive staff
Transportation Security Administration	160	2.7	144	2.5	139	2.4	144	2.4
U.S. Customs and Border Protection	58	1.4	67	1.6	74	1.6	89	1.8
U.S. Secret Service	39	5.9	41	6.2	45	6.8	47	7.1
Federal Emergency Management Agency	33	1.5	35	1.4	43	1.9	54	3.3
Immigration and Customs Enforcement	31	2.0	33	2.2	42	2.6	51	2.9
U.S. Citizenship and Immigration Services	16	1.8	16	1.8	24	2.8	41	4.3
US. Coast Guard	8	1.1	8	1.0	9	1.2	12	1.5
DHS Headquarters ^c	35	90.8	50	58.9	76	57.4	102	63.9
Department of Homeland Security (excluding TSA)	278	2.7	306	2.8	365	3.3	446	4.0
Cabinet-level departments (excluding DHS)	6289	4.1	6403	4.1	6575	4.3	6791	4.3

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aThe first eight entities in this table are a selection of DHS components and do not account for all DHS SES positions; however, all DHS SES positions are accounted for within figures for the Department of Homeland Security (which immediately follows the eight DHS components).

^bFor each fiscal year, the average number of executives was calculated by averaging (1) the number of senior executive staff in the CPDF as of the last pay period of the fiscal year prior to the fiscal year for which the average is being calculated and (2) the number of senior executive staff in CPDF as of the last pay period of the fiscal year for which the average is being calculated.

^cDHS Headquarters is a distinct component within CPDF data which includes all DHS executive staff in positions serving departmentwide functions, such as those involving financial or human capital management.

TSA has employed approximately equal numbers of TSES staff in both headquarters and in the field, where its operational mission of securing the nation’s transportation system is carried out (see table 3). TSES positions in the field include federal security directors (FSDs) who are responsible for implementing and overseeing security operations, including passenger and baggage screening, at TSA-regulated airports; area directors, who supervise and provide support and coordination of federal security directors in the field; special agents in charge, who are part of the Federal Air Marshal Service and generally located at airports to carry out investigative activities; and senior field executives, who work with FSDs and other federal, state, and local officials to manage operational requirements across transportation modes. Headquarters executive positions generally include officials responsible for managing TSA divisions dedicated to internal agency operations, such as the Office of Human Capital or the Office of Legislative Affairs, and external agency operations, such as the Office of Security Operations and the Office of Global Strategies.²³

Table 3: Total TSES Headquarters and Field Staff, Fiscal Years 2004 through 2008^a

Fiscal year	Total TSES staff headquarters	Total TSES staff field
2004	71	83
2005	76	84
2006	67	77
2007	72	68
2008	77	68

Source: GAO analysis of data from OPM’s Central Personnel Data File.

²³ TSA’s Office of Security Operations is responsible for overseeing various agency security initiatives, such as passenger and checked baggage screening at airports. The Office of Global Strategies is responsible for coordinating and overseeing TSA security efforts abroad. TSES headquarters positions include such titles as Assistant Administrators, General Managers, and Directors, among others.

^aCPDF data do not identify whether TSES staff work in headquarters or in the field, but do include codes that identify the physical location of each TSES position. We used these codes to determine the number of field and headquarters staff for each fiscal year, and also had TSA review and confirm our results. See app. I for more detail.

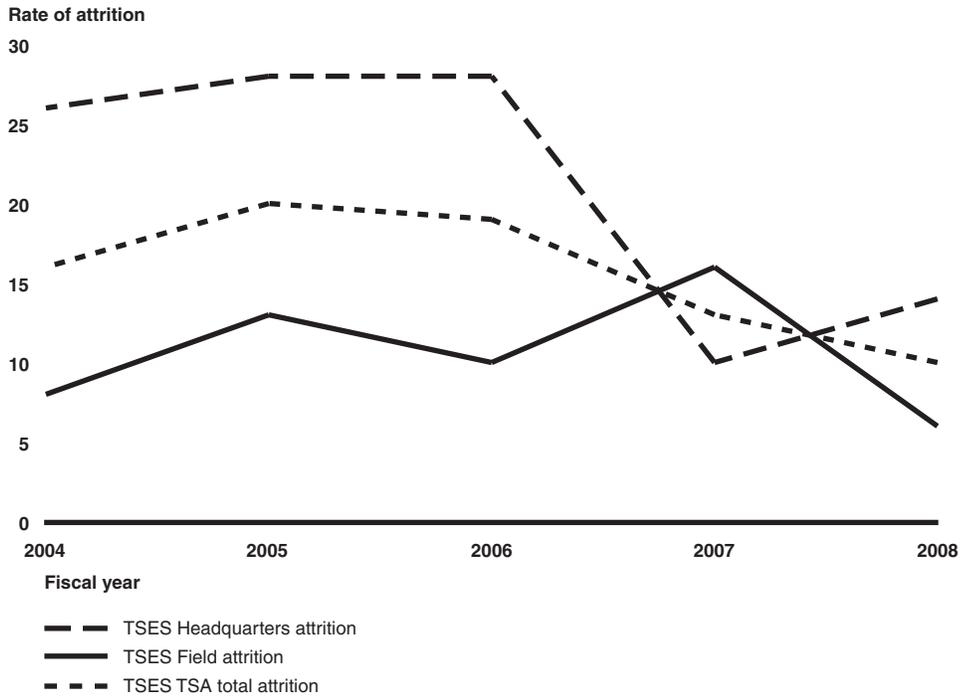
TSES Attrition Has Declined Since 2005 and Has Consistently Been Lower than SES Attrition at Other DHS Components and, Until Recently, Above SES Attrition at Other Cabinet-level Departments

TSES attrition for fiscal years 2004 through 2008 was at its highest (20 percent) in fiscal year 2005, due to a surge in resignations for that fiscal year. The rate of attrition among TSES staff for fiscal years 2004 through 2008 was consistently lower than the rate of attrition among all DHS SES, but, until 2008, higher than the SES attrition rate for all other cabinet-level departments. TSA human capital officials acknowledge that attrition among TSES staff has been high in the past—which they attribute to the frequent turnover in administrators the agency experienced from its formation in fiscal year 2002 through mid-2005—and noted that since TSA has had more stable leadership, attrition has declined.

TSES Attrition Peaked in Fiscal Year 2005, Primarily Due to Staff Resignations, and Has Since Declined

CPDF data for fiscal years 2004 through 2008 show that attrition among TSES staff rose from fiscal year 2004 to fiscal year 2005—peaking at 20 percent in fiscal year 2005—and has declined each year thereafter, measuring 10 percent in 2008. Attrition includes separations due to resignations, retirements, expiration of a limited term appointment, terminations, or transfers to another cabinet-level department. The rate of attrition among TSES headquarters staff was generally more than double that of TSES staff in the field. Specifically, in fiscal years 2004, 2005, 2006, and 2008, TSES attrition in headquarters was 26, 28, 28, and 14 percent respectively, compared to TSES attrition in the field, which was 8, 13, 10, and 6 percent respectively (see fig. 1).

Figure 1: Comparison of Attrition Rates among All TSES Staff, Headquarters TSES Staff, and Field TSES Staff, for Fiscal Years 2004 through 2008^a



Source: GAO analysis of data from OPM's Central Personnel Data File and TSA data.

^aRegarding the field TSES attrition figures, 7 of 83 field staff separated in 2004; 11 of 84 in 2005; 8 of 77 in 2006; 11 of 68 in 2007; and 4 of 68 in 2008. Regarding the headquarters TSES attrition figures, 18 of 71 headquarters staff separated in 2004; 21 out of 76 in 2005; 18 out of 67 in 2006; 7 out of 72 in 2007; and 11 out of 77 in 2008.

With regard to the manner in which TSES separated (through resignation, retirement, expiration of a limited term appointment, termination, or transfer to another cabinet-level department), our analysis of CPDF data shows that resignations were the most frequent type of TSES separation, accounting for almost half of total separations over the 5-year period and about two thirds of all separations during fiscal years 2005 and 2006 (see table 4).²⁴ Also, over the 5-year period, transfers and retirements tied for the second-most frequent type of TSES separation, while expiration of a limited term appointment and “other” were the least common separation types for TSES.

²⁴For the purposes of our analysis, we considered all separation modes as part of our attrition analysis.

Table 4: Number of TSES Staff Who Left TSA from Fiscal Years 2004 through 2008, by Type of Separation

Type of separation	FY04	FY05	FY06	FY07	FY08	Total
Resignations	9	20	18	6	4	57
Transfers	8	4	2	2	5	22
Retirements	3	4	4	6	5	22
Terminations	4	3	2	1	0	10
Expiration of a limited term appointment	1	0	0	2	1	4
Other ^a	0	1	0	1	0	2
Total separations	25	32	27	18	15	117

Source: GAO analysis of data from OPM's Central Personnel Data File.

^a“Other” includes very infrequent types of attrition, such as the death of an employee.

TSA human capital officials acknowledged that attrition among TSES staff has been high at certain points in TSA's history. They noted that frequent turnover in administrators since TSA's creation in 2002 through mid-2005 was the likely catalyst for much TSES attrition, and that once Administrator Hawley, who served the longest term of any TSA Administrator, was appointed, attrition among TSES staff declined.²⁵

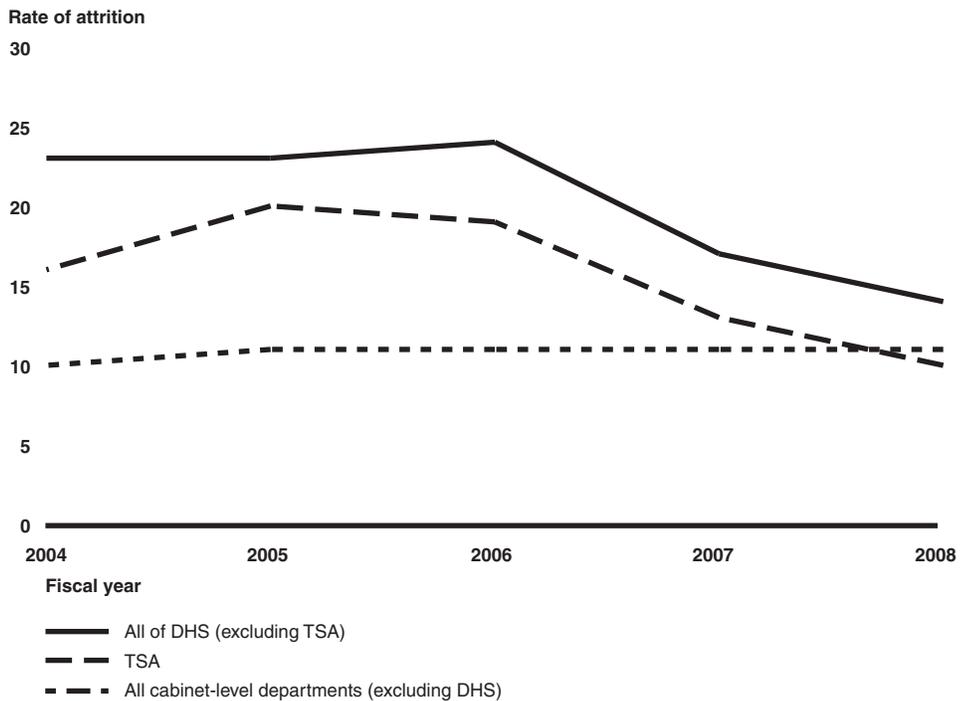
Attrition among TSES Has Been Lower than that of All Other DHS SES, but Until Fiscal Year 2008, Higher than SES Attrition among Other Cabinet-level Departments

As shown in figure 2, the rate of attrition among TSES staff for fiscal years 2004 through 2008 was consistently lower than the rate of attrition among all DHS SES. On the other hand, from fiscal years 2004 through 2006, the TSES rate of attrition was higher than the overall SES attrition rate for all

²⁵Since its establishment, TSA has been led by four different administrators, including James McGaw (January 2002–July 2002); James Loy (July 2002–December 2003); David Stone (December 2003–May 2005); and Kip Hawley (June 2005–January 2009). In January 2009, Gale Rossides was named Acting Administrator of TSA; as of October 9, 2009, TSA does not have a new Administrator.

other cabinet-level departments, but in 2008, the rate was slightly lower than the rate for other cabinet-level departments.²⁶

Figure 2: Comparison of Attrition Rates among Executives at TSA, DHS, and Other Cabinet-level Agencies (Fiscal Years 2004 through 2008)



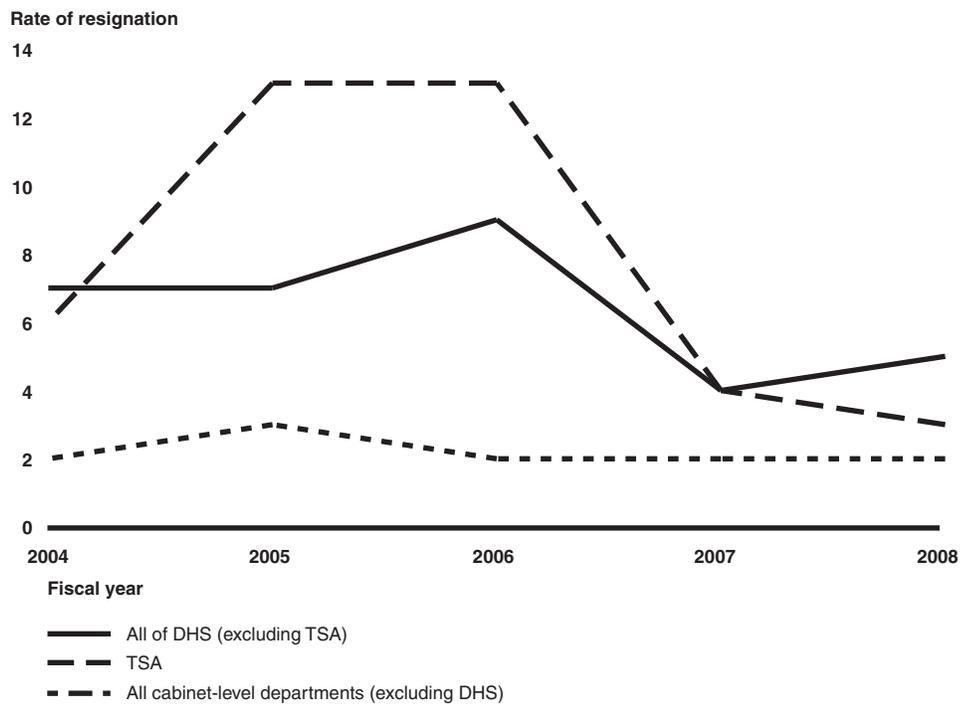
Source: GAO analysis of data from OPM's Central Personnel Data File.

When comparing attrition among types of separations, we found that TSA had higher rates of executive resignations than DHS in 2005 and 2006; in particular, the rate of TSES resignations in 2005 (13 percent) was almost twice that of DHS SES (7 percent). TSA also had consistently higher rates

²⁶We also compared TSES attrition to that of SES in other DHS components, specifically, those in the Federal Emergency Management Agency, U.S. Customs and Border Protection, U.S. Coast Guard, U.S. Citizenship and Immigration Services, U.S. Immigration and Customs Enforcement, U.S. Secret Service, DHS Headquarters (a distinct component within CPDF data which includes all DHS executive staff in positions serving departmentwide functions, such as those involving financial or human capital management), and the "Rest of DHS" (a category we developed for all SES not belonging to any of the previously identified components). Appendix II presents separations data for each of these components for fiscal years 2004 through 2008 (including average TSES, total separations, and separations by type).

of executive resignations than other cabinet-level departments for fiscal years 2004 through 2008 (see fig. 3). TSA human capital officials reiterated that many of these resignations were likely influenced by frequent turnover among TSA administrators, and that it is natural to expect that some executive staff would choose to leave the agency after a change in top agency leadership. They also explained that TSA's high number of resignations could, in part, reflect TSES staff who opted to resign in lieu of being subject to disciplinary action or having a termination on their permanent record.

Figure 3: Comparison of Rates of Resignation among Executives at TSA, DHS, and Other Cabinet-level Agencies (Fiscal Years 2004 through 2008)



Source: GAO analysis of data from OPM's Central Personnel Data File.

Regarding other separation types, TSA's TSES had lower rates of retirements for fiscal years 2004 through 2008 than SES in DHS and all cabinet-level departments. However, rates of transfers among TSES were about the same as those among SES in DHS and cabinet-level

departments.²⁷ For the same time period, TSA's attrition rate for TSES terminations and expiration of term appointments was 3 percent or less, whereas the rate for DHS and all other cabinet-level departments was 1 percent or less.

Former TSES Staff We Interviewed Primarily Cited Adverse Reasons for Leaving TSA; Current TSA Employees and Other Stakeholders Expressed Varying Views on the Impact of These Separations

In interviews with 46 of 95 TSES who separated from TSA from fiscal years 2005 through 2008, most reported adverse reasons for leaving the agency—that is, a reason related to dissatisfaction with some aspect of their TSA experience, as opposed to a nonadverse reason, such as to spend more time with family or pursue another professional opportunity. Perceptions regarding the impact of TSES separations on TSA operations varied among TSA staff who directly reported to separated TSES staff members, TSES supervisors, and stakeholder groups representing industries that collaborate with TSA on security initiatives. Some of these reported that TSES attrition had little or no impact on the agency's ability to implement transportation security initiatives, while others identified negative effects on agency operations, such as a lack of program direction and uncertainty and stress among employees.

TSES Staff We Interviewed Cited Nonadverse and Adverse Reasons for Leaving TSA

In addition to obtaining information on the manner by which TSES staff separated from the agency, such as through resignation or retirement, we also sought more detailed information on the factors that led staff members to separate. For example, for TSES staff members who left the agency through retirement, we sought information on any factors, beyond basic eligibility, that compelled them to leave the agency. According to TSA officials, one of the primary reasons for attrition among TSES has been the large number of TSES term appointees employed by the agency, who, by the very nature of their appointment, are expected to leave TSA, generally within 3 years. However, as shown earlier in table 4, only 4 TSES appointees separated from TSA due to the expiration of their appointments for fiscal years 2004 through 2008, and TSA reported hiring a total of 76 limited term appointees over this period. TSA human capital officials later explained that when the time period for a limited term

²⁷See app. II for rates of resignations, retirements, transfers, terminations, and terminations due to expirations of a term appointment for TSA TSES, DHS SES, and SES in cabinet-level departments.

appointments concludes, the reason for the staff member's separation is recorded on his or her personnel file as a type of "termination." For this reason, TSES on limited term appointments often leave the agency before their terms expire in order to avoid having "termination" on their personnel record, among other reasons. To better understand the reasons for TSES separations, and the extent to which they may have been influenced by TSES limited term appointments, we requested TSA exit interview data that would provide more in-depth explanations as to why the former TSES staff members left the agency.²⁸ Since TSA had documented exit interviews for only 5 of 95 TSES staff members who separated from TSA from fiscal years 2005 through 2008,²⁹ we interviewed 46 of these former TSES staff to better understand the reasons why they left the agency.³⁰ As stated previously, because we selected these individuals based on a nonprobability sampling method, we cannot generalize about the reasons for all TSES separations from fiscal years 2005 through 2008. However, these interviews provided us with perspectives on why nearly half of these TSES staff left TSA.

Of the 46 former TSES staff members we interviewed, 33 cited more than one reason for leaving TSA. Specifically, these individuals gave between one and six reasons for separating, with an average of two reasons identified per interviewee. Ten of 46 interviewees identified only nonadverse reasons for leaving TSA, 24 identified only adverse reasons, and 12 cited both adverse and nonadverse reasons. Nonadverse reasons were those not related to dissatisfaction with TSA, such as leaving the agency for another professional opportunity or to spend more time with family. Adverse reasons were those related to dissatisfaction with some aspect of the TSES staff member's experience at TSA. As shown in table 5,

²⁸Exit interviews seek to obtain information from employees on why they are leaving their current positions. Such interviews may be conducted orally or through use of a written survey, and their design and content vary widely across jurisdictions. One limitation of these interviews is that workers may not be candid in their disclosure of information because they do not wish to sever relationships with coworkers and managers.

²⁹We interviewed TSES who separated during the fiscal year 2005 through 2008 time period because (1) this was a more stable period in TSA's history, following the agency's initial formation and transfer to DHS; and (2) TSA could not readily provide us with a total list of all TSES staff for prior fiscal years, due to a change in its personnel data system. See app. I for more information on our selection of TSES for interviews.

³⁰The TSES we interviewed left the agency through different separation types—resignation, retirement, expiration of a term appointment, termination, and transfer to another federal agency. See app. I for more detail on how we selected former TSES staff for interviews.

we identified three categories of nonadverse reasons and nine categories of adverse reasons for why TSES staff left TSA. By discussing only the perspectives of former TSES, we may not be presenting complete information regarding the circumstances surrounding their separation from TSA. However, as we agreed not to identify to TSA the identities of respondents we spoke with, we did not obtain TSA's viewpoint on these separations because doing so would risk revealing the interviewee's identity.³¹

Table 5: Reasons for Leaving TSA Cited by Former TSES Staff Members^a (n=46)

Nonadverse reasons for separation	Number of TSES citing reason
1. Pursuit of another professional opportunity	14
2. Personal and/or family reasons	7
3. Expiration of a limited term appointment or reannuitant waiver	4
Adverse reasons for separation	
1. Dissatisfaction with leadership style of top management	14
2. Perception that some TSES colleagues lacked executive-level skills or were selected for positions based on personal relationships	13
3. Dissatisfaction with position authority or responsibilities	13
4. Disagreement with top leadership's priorities or decisions	12
5. Frustration with agency reorganizations and turnover of administrators	11
6. Perception that TSA treated TSES executives and other employees in an unprofessional or disrespectful manner	9
7. Termination or perception of being forced to leave TSA	9
8. Other adverse reason ^b	9
9. Pay (insufficient pay or inequitable pay)	5

Source: GAO analysis of interview responses of 46 former TSES staff who left TSA from fiscal years 2005 through 2008.

^aMany TSES gave more than one reason for leaving the agency. Therefore the total number of reasons identified for leaving is greater than 46 (the number of TSES we interviewed).

^bThese included reasons not captured by the other adverse reasons we identified, but that were still related to dissatisfaction with some aspect of the TSES staff member's experience at TSA.

³¹Nor did we try to confirm through any other sources the conditions that prompted the TSES staff to separate. Furthermore, because we did not interview SES staff at other DHS components or cabinet departments, we could not determine whether the reasons for leaving given by TSES and the proportions of those giving adverse versus nonadverse reasons are different from or similar to reasons for leaving for other SES staff.

Nonadverse Reasons Cited for Leaving TSA

Of the TSES staff we interviewed who reported leaving TSA for nonadverse reasons, 14 of the 46 reported leaving for another professional opportunity, such as a position in a security consulting firm. Seven of 46 reported separating from TSA because of personal reasons, such as the desire to spend quality time with family, and 4 of the 46 TSES told us they separated from the agency because they were employed on re-employed annuitant waivers, which expired after 5 years.³²

Adverse Reasons Cited for Leaving TSA

Of the TSES staff we interviewed who reported leaving TSA for adverse reasons, 14 of the 46 cited dissatisfaction with the leadership style of top management as a reason they left the agency. These interviewees defined top leadership as the TSA Administrator or those reporting directly to him, such as Assistant Administrators. In addition to issues with management style, 10 of the 14 responses focused specifically on top leadership's communication style and cited instances in which top management had not communicated with other TSES staff and, in some cases, with lower-level staff. For example, one former FSD reported that new policies and procedures were implemented by headquarters with little or no notice to the field. He explained that in some cases, he learned that headquarters had issued new policies or procedures when the media called to ask questions about them. Another TSES interviewee reported that communication occurred between the administrator and a core group, but all other staff received only "bits and pieces of information." Other examples provided in this category were more general. For example, 3 interviewees reported they were compelled to leave the agency due to a specific TSA Administrator's more hierarchical management style.

Thirteen of the 46 former TSES staff we interviewed stated that some of their colleagues lacked executive-level skills or were selected for positions based on personal relationships with administrators or other TSES staff. Specifically, 12 of the 13 interviewees in this category stated their

³²Re-employed annuitant waivers are a type of human capital flexibility available to TSA and other federal agencies that allow individuals who retired from a federal government position and are collecting a federal annuity to continue receiving their full annuity in addition to their federal salary if they are hired for another federal position. Under normal circumstances, federal employees who are federal annuitants would have the amount of their annuity deducted from their salaries. These waivers are typically used when a program office has an urgent need to hire experienced, qualified staff—such as the need TSA had for executives with significant transportation security experience following its creation. Although TSA's reannuitant waivers were generally for a period of 5 years, TSA extended some beyond the 5-year period.

colleagues lacked the necessary qualifications for the position. For example, one interviewee mentioned that an individual with a rail background was put in charge of a TSA division that focused on aviation policy. In addition, 6 of the 13 TSES staff in this category stated that many in the TSES were hired based on personal relationships, as opposed to executive qualifications. As discussed previously, unlike many other federal agencies, TSA is not required to adhere to merit staffing principles when hiring for limited term TSES positions. However, TSA has agreed to adhere to merit staffing principles when hiring for career TSES positions in accordance with the OPM-DHS interchange agreement. The former TSES staff we interviewed did not always provide us with the names of their colleagues whom they believed were not hired in accordance with merit staffing principles. Additionally, documentation related to the hiring of TSES staff who joined the agency prior to March 2006 was not generally available. Therefore, we were not able to conduct an independent assessment of whether the TSES in question should have been hired, and subsequently were hired, in accordance with merit staffing principles. However, later in this report, we discuss the extent to which TSA documented its adherence to merit staffing principles when hiring for TSES career positions in 2006 and 2008, such that an independent third party could make this type of assessment in the future.

Thirteen of the 46 TSES staff we interviewed cited dissatisfaction with the authority and responsibilities of their position as a reason for leaving. Specifically, 7 TSES staff members reported being dissatisfied with the limited authority associated with their position. For example, during a period when contractors, as opposed to FSDs, were responsible for hiring TSA airport employees, one former FSD explained that he arrived at the interview site to observe the interview and testing process for the transportation security officer candidates, but was not allowed to enter the facility, even though he would be supervising many of the individuals who were hired.³³ The remaining 6 TSES reported that they were either dissatisfied with the duties and responsibilities of their position, or they became dissatisfied with their position after (1) they were reassigned to a less desirable position or (2) they believed their position lost authority

³³In 2007, we reported that TSA has since vested FSDs at individual airports with responsibility for hiring transportation security officers, but continues to provide contractor support to assist FSDs in this effort. See GAO, *Aviation Security: TSA's Staffing Allocation Model Is Useful for Allocating Staff among Airports, but Its Assumptions Should Be Systematically Reassessed*, [GAO-07-299](#) (Washington, D.C.: February 2007).

over the course of their employment. For example, regarding the latter, one former TSES staff member reported that after his division was subsumed within another, he became dissatisfied with no longer having the ability to report directly to the administrator or implement policies across the agency, and subsequently left the agency.

Twelve of the 46 TSES staff we interviewed cited disagreement with top leadership's priorities or decisions as a reason for separation. Seven of the 12 TSES staff in this category disagreed with a specific management decision. For example, one former TSES staff member reported leaving the agency when top leadership decided to discontinue a process for evaluating candidates for a certain TSA position, which the former TSES staff member believed was critical to selecting appropriate individuals for the position. The other 5 staff in this category questioned agency priorities. For example, one TSES staff member believed that TSA focused on aviation security at the expense of security for other modes of transportation, while another commented that agency priorities had shifted from a security focus to one that was centered on customer service.

Eleven of the 46 TSES staff we interviewed reported that they were frustrated with numerous agency reorganizations and frequent changes in TSA administrators. For example, one TSES staff member reported that during her tenure she experienced six physical office changes along with multiple changes to duties and responsibilities, making it difficult to lead a cohesive program in the division. We conducted an analysis of TSA organization charts from calendar years 2002 through 2008, and found that TSA underwent at least 10 reorganizations over this period.³⁴ Furthermore, the charts reflected 149 changes in the TSES staff in charge of TSA divisions.³⁵ Also, TSA was headed by several different administrators from 2002 through mid-2005—specifically, a total of 4 within its first 5 years of existence. TSA human capital officials acknowledged that the many reorganizations and changes in agency leadership the agency has experienced since its formation have led to many TSES staff separations.

³⁴We were unable to determine, and TSA was unable to confirm, whether these charts depicted all TSA reorganizations since the agency's creation.

³⁵Specifically, these charts identified only upper-level TSA divisions reporting directly to the Office of the TSA Administrator and the TSES staff person in charge of these divisions. As such, we were not able to identify changes in lower-level TSES staff within each division from one reorganization to another. See app. I for more information on how we conducted our analysis of TSA organization charts.

With regard to some of the remaining adverse reasons,

- Nine of the 46 TSES staff told us they separated from the agency because they believed that TSA executives and employees were treated in an unprofessional or disrespectful manner. For example, one TSES staff member reported that upon completion of a detail at another federal agency, he returned to TSA and learned that his TSES position had been backfilled without his knowledge.
- Nine of the 46 TSES staff reported they were either terminated or pressured to leave the agency. We reviewed TSA-provided data on separations, and found that 3 of the 9 TSES in this category were actually terminated. The 6 who were not terminated reported that they were pressured to leave the agency. Specifically, 4 of the 6 reported that they were forced out of the agency after being offered positions that TSA leadership knew would be undesirable to them due to the location, duties, or supervisor associated with the position. Finally, 2 of the 6 TSES reported they were compelled to resign after being wrongly accused of misconduct or poor performance.
- Five of the 46 TSES staff we spoke with reported either insufficient or inequitable pay as a reason for separating from the agency. In one case, a TSES staff member told us that, unlike his peers, he did not receive any bonuses or pay increases even though he was given excellent performance reviews. TSA provided us with data on the total amount of bonuses awarded to each TSES staff person employed with the agency during fiscal years 2005 through 2008.³⁶ Agency documentation reflects that these bonuses were awarded to recognize performance. Of the 95 TSES who separated during this 4-year period, 55 were awarded performance bonuses, and the total amount of these awards ranged from \$1,000 to \$44,000. Of 141 TSES who were employed with TSA during fiscal years 2005 through 2008, 92 were awarded performance bonuses, and the total

³⁶TSA provided data on the cumulative amounts of bonuses awarded to TSES from fiscal year 2005 through 2008 (as opposed to the amount per fiscal year); therefore, all bonus amounts identified represent the cumulative amount awarded to employees over this time period. In addition, if the recipient did not fulfill the conditions attached to these awards, the total amount awarded might not have been paid; we did not ascertain whether all awarded amounts were paid.

amount of these awards ranged from at least \$4,800 to \$85,000.³⁷ Another interviewee told us that he left TSA due, in part, to his perception that TSES staff doing aviation security work were paid more than TSES staff such as himself who worked in other nonaviation transportation modes.

TSA Employees and Stakeholders Held Varying Opinions on the Impact of TSES Attrition

While some attrition impacts agency operations negatively, such as the loss of historical knowledge or expertise, the separation of other staff can have a positive impact on agency operations—such as when an executive is not meeting performance expectations. To identify the potential impact of TSES separations on agency operations, we conducted interviews with TSA staff who were direct reports to and immediate supervisors of TSES staff members who left the agency. We also interviewed representatives of seven transportation security associations. While we would not expect any of these individuals to have a full understanding of the impact that TSES attrition had on the agency, we believe that presenting the perspectives of superiors and subordinates and external agency stakeholders enables us to offer additional perspective on this issue.

We found that the direct reports, supervisors, and external stakeholders had varying views regarding the impact that TSES attrition has had on TSA. Specifically, of the 22 direct reports we interviewed, 13 stated that TSES attrition had little or no impact on TSA's programs and policies, whereas 8 others cited negative effects, such as delays in the development and implementation of agency programs.³⁸ Two programs direct reports identified as being negatively affected by TSES attrition were Secure Flight and the Transportation Worker Identification Credential (TWIC)

³⁷In addition to providing data on bonuses, TSA also provided data on the amount of relocation, retention, and recruitment payments awarded to TSES staff. However, since TSA provided us with a single sum for all these payments, we could not separately identify the amount of the bonus from other payments made for recruitment, retention, or relocation purposes, when a TSES staff person received other types of payments. Thus we excluded from our analysis any individual receiving payments for recruitment, retention, or relocation, in addition to bonuses. Specifically, we excluded data for 4 TSES staff who separated during fiscal years 2005 through 2008, and 34 TSES staff who were employed throughout the 4-year period.

³⁸One additional direct report stated that impact on programs was not applicable because the division had not started any programs.

programs.³⁹ In addition, 12 of the direct reports stated that TSES attrition had little or no impact on the functioning of their particular division, although 10 cited negative effects such as a lack of communication regarding the direction of the division and its goals; difficulties in building relationships with ever-changing supervisors; and decreased morale. Regarding our interviews with the 7 supervisors of TSES staff who since left the agency, 6 reported that TSES attrition had little or no impact on TSA's programs and policies, but one stated that TSES separations caused a lack of vision and direction for program development. Additionally, 4 supervisors did not believe that TSES attrition had negative impacts on the functioning of a specific division, but 3 supervisors stated that TSES attrition did have negative impacts, stating that separations cause uncertainty and stress among employees, which negatively impacts morale.

With regard to our interviews with seven industry associations representing the various stakeholders affected by TSA programs and policies (for example, airports, mass transit systems, and maritime industries), four industry associations could not identify a negative impact attributable to turnover among TSES staff. The remaining three stakeholders reported delayed program implementation and a lack of communication from TSA associated with TSES turnover.

TSA human capital officials noted that they were generally pleased that many of the supervisors, direct reports, and stakeholders we interviewed stated that the impact of TSES turnover on agency operations was minimal. In particular, they interpreted this as evidence that their succession planning efforts—to identify, develop, and select successors who are the right people with the right skills for leadership and other key positions—are working as intended, and minimizing the impact of turnover on agency operations.

³⁹Secure Flight matches airline passenger lists against watch lists maintained by the federal government; TWIC is a program to issue credentials to individuals who require unescorted access to maritime facilities. See GAO, *Aviation Security: TSA Is Enhancing Its Oversight of Air Carrier Efforts to Identify Passengers on the No Fly and Selectee Lists, but Expects Ultimate Solution to Be Implementation of Secure Flight*, [GAO-08-992](#) (Washington, D.C.: September 2008), and GAO, *Transportation Security: Transportation Worker Identification Credential: A Status Update*, [GAO-08-1151T](#) (Washington, D.C.: September 2008).

TSA Has Implemented Measures to Address TSES Attrition Consistent with Effective Human Capital Practices and Internal Controls, but Data on Exit Surveys and Hiring Decisions Could Be Improved

By affording separating TSES the opportunity to complete an exit survey, TSA has taken steps to address attrition that are consistent with internal control standards and effective human capital management practices. Nevertheless, the current survey instrument does not allow TSES staff leaving the agency to identify themselves as executive-level staff, hence preventing the agency from isolating the responses of TSES staff and using the data to address reasons for TSES attrition. In addition, the agency has implemented other measures to improve overall management of its TSES corps that are consistent with effective human capital management practices and internal control standards, such as issuing an official handbook that delineates human capital policies applying to the TSES, implementing a succession plan, and incorporating merit-based staffing requirements (which are intended to ensure fair and open competition for positions) into its process for hiring executive staff. However, inconsistent with internal control standards, TSA did not always clearly document its implementation of merit staffing requirements.

TSA Has Taken Steps to Manage TSES Attrition by Affording Separating TSES Staff the Opportunity to Complete an Exit Survey and Decreasing Its Use of Limited Term Appointments, but Limited Exit Survey Data May Hinder Efforts

According to TSA officials, in January 2008, TSA began collecting data on the reasons for TSES separation through an exit interview process, asking questions specifically designed to capture the experiences of executive-level staff. The interview was administered by TSA human capital officials. According to a TSA official, after we requested access to this information in September 2008, TSA ceased conducting these exit interviews due to concerns that the format would not provide for anonymity of former TSES staff members' responses. According to standards for internal control in the federal government, as part of its human capital planning, management should consider how best to retain valuable employees to ensure the continuity of needed skills and abilities.⁴⁰ Also, we have reported that collecting and analyzing data on the reasons for attrition through exit interviews is important for strategic workforce planning.⁴¹ Such planning entails developing and implementing long-term strategies for acquiring, developing, and retaining employees, so that an agency has a workforce in place capable of accomplishing its mission.⁴² In March 2009, TSA,

⁴⁰GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington D.C.: November 1999).

⁴¹GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 2002).

⁴²GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: December 2003).

recognizing the importance of such a process to its management of TSES resources, announced it was affording separating TSES staff the opportunity to complete an exit survey. Specifically, TSA officials reported that they would use the agency's National Exit Survey instrument, which has been in use for non-TSES staff since November 2005.⁴³ We reviewed the survey instrument, which consists of 21 questions (20 closed ended and one open ended) concerning the staff member's experience at TSA and the specific reasons for separation, and found that it generally covered all the reasons for separation identified by 46 separated TSES staff we interviewed.⁴⁴

Although TSA's National Exit Survey responses are submitted anonymously (thereby allaying TSA's concerns with the previous TSES exit interview process), respondents are given the opportunity to identify what position they held at TSA, such as "Transportation Security Officer (TSO)," by selecting from a pre-set list of position titles.⁴⁵ However, TSA does not list "TSES" among the answer choices, which precludes TSES staff who fill out the survey from identifying their position rank. TSA officials explained that they do not allow TSES staff to self-identify because, given the small number of TSES staff who leave the agency in a given year, it may be possible to determine the identity of a particular TSES respondent. However, according to TSA's documented policy for analyzing exit survey data, survey responses will not be analyzed by position if the total number of respondents in that position is fewer than five. We discussed this issue with TSA human capital officials and the TSA officials stated that, in light of this policy, they may consider allowing TSES staff members to identify themselves as such when filling out the survey. Without the ability to isolate the responses of TSES staff from those of other staff, it will be difficult for TSA to use the results of the exit

⁴³TSA officials made the announcement that separating TSES staff would be able to take the exit survey via e-mail communication to all Assistant Administrators and Business Management Office leads. Each TSA office is responsible for providing the survey information to separating employees, including members of the TSES. TSA expected the process to become centrally administered in July 2009 when TSA's human capital services contractor is to assume responsibility for managing the survey process.

⁴⁴See app. III for a copy of TSA's National Exit Survey.

⁴⁵Specifically, respondents are asked to identify their most recent job category; respondents may select among the following categories: TSO, LTSO, Master TSO, STSO, Expert TSO, Screening/Security Manager, FSD Staff, and HQ Staff. Another question asks respondents to identify whether their position was "supervisory" or "non-supervisory." See app. III for a copy of the survey.

survey to identify reasons for attrition specific to TSES staff, thus hindering TSA’s ability to use exit survey data to develop a strategy for retaining talented TSES staff with specialized skills and knowledge, and ensuring continuity among the agency’s leadership.

TSA has also sought to manage attrition among TSES by decreasing its use of limited term TSES appointments. TSA officials believe that the agency’s use of limited term appointments has contributed to higher attrition among TSES staff. TSA’s Chief Human Capital Officer stated that during the agency’s formation and transition to DHS, TSA made more liberal use of limited term appointments, as it was necessary to quickly hire those individuals with the executive and subject area expertise to establish the agency. The official explained that as the agency has matured, and since it now has a regular executive candidate development program, the agency has hired fewer limited term appointments. TSA data on the number of limited term TSES appointed (hired) per fiscal year from 2004 through 2008 show that the agency’s use of limited term appointments has generally been decreasing, both in number and as a proportion of all new TSES appointments. Specifically, the number of new limited term appointments was highest in fiscal year 2004, representing over half of all TSES appointments for that fiscal year; in fiscal year 2008, TSES made six TSES limited term appointments, representing a sixth of all new appointments for that fiscal year (see table 6).

Table 6: Number of New Limited Term TSES Appointments and Total New TSES Appointments for Fiscal Years 2004 through 2008^a

Fiscal year	Number of new limited term appointments^b	Total new TSES appointments^c
2004	32	59
2005	20	49
2006	8	27
2007	10	51
2008	6	36

Source: GAO analysis of TSA and CPDF data.

^aWe did not provide the number of term employees as a percentage of total new appointments because GAO does not generally present percentages when the total population is less than 50.

^bTSA provided data on the number of new limited term appointments made for each fiscal year.

^cTotal new TSES appointments for each fiscal year were determined through an analysis of CPDF data.

TSA Has Taken Steps to Better Manage Its TSES Program, but Better Documentation Is Needed so that TSA Can Demonstrate Its Use of Merit-Based Staffing Procedures as Part of Its TSES Hiring Process

TSA has implemented a number of steps to help attract and retain TSES staff. In November 2008, TSA issued a TSES handbook delineating human capital policies and procedures applicable to TSES staff.⁴⁶ Prior to this, a comprehensive policy document did not exist. According to standards for internal control in the federal government, management should establish good human capital policies and practices for hiring, training, evaluating, counseling, promoting, compensating, and disciplining personnel in order to maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.⁴⁷ Moreover, these policies and practices should be clearly documented and readily available for examination.

TSA has had documented policies and procedures in place for such things as reassignments, transfers, and terminations since December 2003, and for the performance assessment of its TSES staff since July 2003. However, in November 2008, TSA issued a more comprehensive management directive delineating the agency's human capital policies and procedures for TSES that, in addition to the areas listed above, also covers details to other agencies, reinstatements, compensation, work schedules, leave, awards and recognition, disciplinary actions, and workforce reductions.⁴⁸ TSA stated that its goal is to ensure that all current TSES staff members are aware and have copies of the management directive. The directive, along with TSA's stated commitment to increasing TSES access to this information, should help provide TSES staff with a more accurate and complete understanding of the applicable human capital management authorities, flexibilities, policies, and procedures.

TSA also developed a succession plan in 2006 to improve its overall human capital management of TSES staff.⁴⁹ TSA's succession planning efforts provide for a more systematic assessment of position needs and staff

⁴⁶Transportation Security Administration Office of Human Capital, *TSA Handbook to Management Directive No. 1100.30-24, Transportation Security Executive Service Program* (Washington, D.C.: November 2008).

⁴⁷[GAO/AIMD-00-21.3.1](#).

⁴⁸Transportation Security Administration Office of Human Capital, *TSA Handbook to Management Directive No. 1100.30-24, Transportation Security Executive Service Program* (Washington, D.C.: November 2008).

⁴⁹TSA has had two succession plans; the first was approved in June 2006, and a later revised plan was reviewed and approved by the ERC in September 2008. The 2008 plan was further updated in December 2008.

capabilities. Specifically, the plan targets 81 positions (both TSES and pay-band) and identifies the leadership and technical competencies required for all.⁵⁰ The program is designed to recruit talented TSA staff in lower-level positions as possible candidates for these positions and encourage them to apply for entrance into a Senior Leadership Development Program (SLDP) where, upon acceptance, program participants are to receive special access to training and development experiences.⁵¹ Moreover, program participants are to have their executive core qualifications approved by OPM upon completion of the program, making them eligible for noncompetitive placement into vacant TSES positions.⁵² We have previously reported that succession planning can enable an agency to remain aware of and be prepared for its current and future needs as an organization, including having a workforce with the knowledge, skills, and abilities needed for the agency to pursue its mission.⁵³

To better manage its TSES program, TSA also established in 2006 a hiring process for TSES staff that incorporates merit staffing requirements; however, TSA lacked documentation that would demonstrate whether TSA is consistently following these requirements. Although TSA has more human capital flexibilities with regard to hiring than most federal agencies, the agency, on its own initiative, sought to incorporate various merit staffing requirements into its hiring process.⁵⁴ Merit staffing requirements help to ensure that competition for executive positions is fair and transparent, and that individuals with the necessary technical skills and abilities are selected for positions—which was a concern for 13 of the

⁵⁰TSA's pay bands are ranges of salary compensation for staff not within the senior executive service or political appointees. TSA pay bands range from A through M. Pay for the three highest bands' (K through M) ranges from \$81,681 through \$149,000; these figures do not include locality pay.

⁵¹For some positions, the agency may look for candidates outside of TSA's current workforce.

⁵²TSA has implemented the SLDP in four phases, which focus on specific TSES positions; thus far, it has successfully completed two phases, with a third underway. As of July 2009, 165 TSA employees have been accepted and 156 participated in the SLDP, and of these, 9 have received career appointments to TSES positions.

⁵³GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 2002).

⁵⁴However, career-appointed TSES who wish to transfer to career SES positions in other federal agencies without competing against other applicants (per the DHS-OPM Interchange Agreement) must be hired in accordance with merit-based staffing requirements.

46 former TSES we interviewed. While TSA human capital officials asserted that TSA has always hired qualified TSES staff in accordance with merit staffing requirements, these officials also acknowledged that for most of TSA's existence, the agency did not have a documented process for doing so. In January 2006, TSA established an Executive Resources Council (ERC), which was chartered to advise the TSA Administrator and Deputy Administrator on the recruitment, assessment, and selection of executives, among other things. TSA's ERC charter requires that merit staffing be used when hiring for TSES positions by encompassing certain merit staffing requirements into its procedures, namely public notice of position availability; identification, rating, and ranking of eligible candidates against position qualifications; determination of a list of best qualified candidates with the final selection coming from among those best qualified; and the agency's certification of the final candidate's qualifications.

According to internal control standards, internal controls and other significant events—which could include the hiring of TSES staff—need to be clearly documented, and the documentation should be properly managed and maintained.⁵⁵ To determine the extent to which TSA documented its implementation of the merit staffing procedures, we reviewed case files for evidence that merit staffing procedures were followed for the selection of 25 career TSES appointments for calendar year 2006 (the year the TSES staffing process was established) and 16 TSES staff for calendar year 2008 (the most recent full calendar year for which documentation was available).⁵⁶ We could not review documentation prior to this period because TSA explained that its hiring decisions were not consistently documented prior to the establishment of its ERC process in March 2006.

Based upon our review, we found that for 20 of the 25 career TSES who were hired competitively in calendar year 2006 and for 8 of the 16 TSES who were hired competitively in calendar year 2008, documentation identifying how TSA implemented at least one of the merit staffing procedures was either missing or unclear. For example, in our review of

⁵⁵ [GAO/AIMD-00-21.3.1](#).

⁵⁶ We looked at the case files, specifically, for all competitively filled career TSES appointments for calendar years 2006 and 2008 because TSA requires, per its own ERC charter guidance issued in March 2006, the use of merit-based staffing procedures for these selections. See app. I for more detail on our methodology for evaluating staffing folders.

one 2008 case file, we found that the person selected for the position had not previously held a career executive-level position, but we did not find documentation indicating on what basis the person had been rated and ranked against other candidates applying for the position.⁵⁷ Absent such documentation, it is uncertain whether the appointment comported with TSA’s hiring process. Moreover, OPM regulations establishing merit staffing requirements, upon which TSA based its staffing process, provide that agencies operating under merit staffing requirements must retain such documentation for 2 years to permit reconstruction of merit staffing actions.⁵⁸ Table 7 identifies the specific merit staffing procedures required by TSA’s hiring process for which documentation was either missing or unclear.

Table 7: Number of Hiring Decisions for TSES Positions Filled in Calendar Years 2006 and 2008 for which TSA Documentation of Merit Staffing Procedures Was Missing or Unclear

Merit staffing activity	Number of hiring decisions for which documentation was missing or unclear— calendar year 2006 (n=25)	Number of hiring decisions for which documentation was missing or unclear— calendar year 2008 (n=16)
Public notice of position availability	0	0
Identification of all minimally eligible candidates	2	5
Identification of position qualifications	9	1
Rating and ranking of all eligible candidates using position qualifications	6	3
Determination of a best-qualified list	1	0
Selection of a candidate for the position from among those best qualified	4	0
TSA’s certification of candidate’s executive and technical qualifications	11	1

Source: GAO analysis of TSA documents.

TSA human capital officials told us that a lack of documentation within case files does not necessarily indicate that merit staffing procedures were not followed for a particular staffing decision. Specifically, TSA stated that because the TSES staffing process consists of multiple levels of review, including review by both the TSA and DHS Executive Resources Councils,

⁵⁷According to merit staffing requirements, individuals selected for their initial appointment to an executive-level position must be selected competitively, which involves rating and ranking the candidate against other applicants.

⁵⁸See 5 C.F.R. § 317.501(d).

regardless of the lack of documentation, the agency has reasonable assurance that merit staffing principles have been followed. While TSA officials may believe that the agency has these assurances internally, by ensuring that there is complete and consistent documentation of its TSES staffing decisions, TSA can better demonstrate to an independent third party, the Congress, and the public that the way in which it hires for TSES positions is fair and open, that candidates are evaluated on the same basis, that selection for the position is not based on political or other non-job related factors, and that executives with the appropriate skills sets are selected for positions.

Conclusions

Given the broad visibility of its mission to secure our nation's transportation system, it is important that TSA maintain a skilled workforce led by well-qualified executives. As TSA prepares to bring on a new administrator, it would be beneficial to address some of the circumstances which led the former TSES staff members we interviewed to separate. TSA has taken steps to address attrition among TSES staff and to improve overall management of its TSES workforce. However, some modifications to these efforts could be beneficial. For example, TSA's planned effort to conduct exit surveys of TSES staff—consistent with human capital best practices—is intended to provide TSA with more comprehensive data on the reasons why TSES staff decided to leave the agency. However, the method by which TSA has chosen to collect these data—anonymous surveys in which the separating TSES do not disclose their level of employment—will not provide TSA reasons why TSES staff, in particular, left the agency, thereby rendering the data less useful for addressing TSES attrition. TSA has also implemented a process to hire TSES staff, which incorporates procedures based upon merit staffing requirements in order to ensure that candidates for career TSES appointments are evaluated and hired on the basis of their skills and abilities as opposed to personal relationships—which was a concern among some former TSES staff we interviewed. By more consistently documenting whether and how it has applied merit staffing procedures when filling career TSES positions, TSA can better demonstrate that its hiring of TSES is fair and merit-based, as intended.

Recommendations for Executive Action

To address attrition among TSES staff and improve management of TSES resources, we recommend that the TSA Administrator take the following two actions:

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- Ensure that the National Exit Survey, or any other exit survey instrument TSA may adopt, can be used to distinguish between responses provided by TSES staff and other staff, so that the agency can determine why TSES staff, in particular, are separating from TSA.
 - Require that TSA officials involved in the staffing process for TSES staff fully document how they applied each of the merit staffing principles required by TSA when evaluating, qualifying, and selecting individuals to fill career TSES positions.

Agency Comments and Our Evaluation

On October 7, 2009, we received written comments on the draft report, which are reproduced in full in appendix IV. TSA concurred with our recommendations and has taken action to implement them. In addition, TSA, as well as OPM, provided technical comments on the draft report, which we incorporated as appropriate.

With regard to our recommendation that TSA allow TSES staff to identify themselves as such when filling out the National Exit Survey, TSA stated that it has revised Question 27 of the National Exit Survey—“What is your pay band?”—to include “TSES” as a response option. Regarding our second recommendation that TSA fully document how it applied merit staffing principles when evaluating, qualifying, and selecting individuals to fill career TSES positions, TSA stated that it has established a checklist for proper documentation and will conduct an internal audit of TSES selection files on a quarterly basis.

While TSA agrees that it should document its adherence to merit staffing principles, it raised a question about our analysis by stating that that we regarded documentation of TSA’s certification of the candidate’s executive and technical qualifications as deficient if there was not both a signed letter from the selecting official and a signed Executive Resources Council recommendation, even when contemporaneous records existed. However, TSA’s statement is not accurate. To clarify, we considered documentation of this merit staffing principle complete if there was both a signed letter from the selecting official as well as a description of the candidate’s executive and technical qualifications. Therefore, even if the signed ERC recommendation was not present, if other contemporaneous records were provided to us attesting to the candidate’s executive and technical qualifications, we would have given TSA credit for this. We found that for 2006, of the 11 staffing folders that we determined had incomplete documentation of TSA’s adherence to the agency certification principle, 4 were only missing the signed certification by the selecting official, 5 were only missing the description of the candidate’s qualifications, and 2 of the

folders were missing both the signed letter from the selecting official as well as a description of the candidate's executive and technical qualifications. The one folder we identified from 2008 as having incomplete documentation of TSA's certification of the candidate was missing a description of the candidate's qualifications. The absence of critical documentation makes it difficult to support TSA's statement that it has implemented a rigorous process for executive resources management consistent with effective human capital management practices and standards for internal control.

TSA also stated that it was unable to respond to the reasons we reported for why former TSES staff left the agency, because the responses were anonymous. It is the case that we did not provide TSA with the names of the former TSES staff with whom we spoke. However, we chose not to do so because we believe that if the former TSES staff we interviewed knew that we were going to share their names with TSA, they would have been less candid and forthcoming in their responses. We would also like to note that TSA would not have had to rely on the information we obtained from former TSES staff regarding their reasons for leaving if TSA had consistently been conducting exit interviews or exit surveys between 2005 and 2008, which is the period of time during which those we interviewed left the agency.

We will send copies of this report to the appropriate congressional committees and the Acting Assistant Secretary for TSA. The report will also be available at no charge on our Web site at <http://www.gao.gov>.

If you have any further questions about this report, please contact me at (202) 512-4379 or lords@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IV.

A handwritten signature in black ink that reads "Stephen Lord". The signature is written in a cursive, flowing style.

Stephen M. Lord
Director, Homeland Security and Justice Issues

Appendix I: Objectives, Scope, and Methodology

Most executive branch agencies—including most Department of Homeland Security (DHS) agencies—have a Senior Executive Service (SES), which is comprised of individuals selected for their executive leadership experience and subject area expertise who serve in key agency positions just below presidential appointees.¹ However, due to its exemption from many of the requirements imposed and enforced by the Office of Personnel Management (OPM)—the agency responsible for establishing human capital policies and regulations for the federal government—the Transportation Security Administration’s (TSA) executives are part of the Transportation Security Executive Service (TSES), which is distinct from the SES of other agencies. The explanatory statement accompanying the DHS Appropriations Act, 2008, directed GAO to “report on the history of senior executive service-level career turnover since the formation of TSA.”² Accordingly, we addressed the following questions regarding TSA’s TSES staff:

1. What has been the attrition rate among TSES staff for fiscal years 2004 through 2008, and how does it compare to attrition among SES staff in other DHS components and cabinet-level departments?
2. What reasons did former TSES staff provide for leaving TSA, and how do current TSA officials and stakeholders view the impact of TSES attrition on TSA’s operations?
3. To what extent are current TSA efforts to manage TSES attrition consistent with effective human capital practices and standards for internal control in the federal government?

More details about the scope and methodology of our work to address each of these principal questions are presented below.

Objective 1 - Attrition Rates for TSES Staff and SES Staff in DHS and Other Cabinet-level Departments

To calculate attrition for TSES staff and SES staff in DHS overall (excluding TSA) as well as other cabinet-level departments, we analyzed fiscal year 2004 through 2008 data from OPM’s Central Personnel Data File (CPDF), a repository of selected human capital data for most Executive Branch employees, including separations data. We selected this time period because 2004 was the first full fiscal year during which TSA was a

¹Presidential appointees are appointed by the President and may be confirmed by the Senate. They generally occupy the highest departmental and agency positions and serve at the will of the President.

²See Explanatory Statement accompanying Division E of the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, 121 Stat. 1844, 2042 (2007), at 1054.

part of DHS after transferring from the Department of Transportation in March 2003, and thus a more meaningful starting point for comparing TSES attrition to SES attrition at other federal agencies. Also, at the time of our review, 2008 was the most recently completed fiscal year for which attrition data were available in CPDF. The individuals who we classified as senior executive staff who attrited, or separated, from their agencies were those with CPDF codes that:

- identified them as senior executive staff, specifically TSES, SES, or SES equivalent staff and³
- indicated that they had separated from their agency of employment through resignation, transfer to another cabinet-level department, retirement, termination, expiration of term appointment, or “other” separation type.

We did not include TSES or SES staff who made intradepartmental transfers (such as transferring from TSA to U.S. Customs and Border Protection (CBP), which is another DHS agency) when calculating attrition because these data were not readily available in CPDF.

We calculated the executive attrition rates (both SES and TSES) for each fiscal year by dividing the total number of executive separations for a given fiscal year by the average of (1) the number of senior executive staff in the CPDF as of the last pay period of the fiscal year prior to the fiscal year for which the attrition rate was calculated and (2) the number of senior executive staff in CPDF as of the last pay period of the fiscal year in which the attrition occurred. To place the TSA’s senior executive attrition rate in context, we compared it to the overall DHS SES attrition rate (excluding TSA) and the overall SES attrition rate for all other cabinet-level departments (excluding DHS). We did not calculate senior executive attrition rates for individual component agencies within DHS (such as for U.S. Secret Service) because the total number of senior executive staff for most of these components for a given fiscal year was fewer than 50. We generally do not calculate rates or percentages when the total

³Because our mandate asked that we specifically look at turnover among senior-executive staff, we did not collect data on political appointees or senior-level TSA staff who did not hold TSES positions even though some of these individuals held positions similar to TSES—such as Federal Security Director, Special Agent in Charge, and Deputy/Assistant Special Agent in Charge. Also, SES-equivalent positions refer to executives at agencies like TSA that do not have SES. When we refer to “executives” throughout this report, we are referring to TSES, SES, and SES-equivalent positions.

population for any unit is less than 50.⁴ Given that we could not provide rates for all DHS components, we decided not to compare TSES attrition to SES attrition for individual DHS components; however we do provide data on the number and type of executive separations for each DHS component in appendix II.

For additional context, we compared the attrition rate for TSES staff who worked in TSA headquarters to those who worked in field locations for fiscal years 2004 through 2008. The CPDF does not identify whether a TSES staff person is considered headquarters or field staff, but does include codes that identify the physical location of each TSES position, including the location of TSA's headquarters building. As such, we considered headquarters TSES staff to be all TSES staff assigned location codes for TSA's headquarters building. In addition, using CPDF location codes, we identified all TSES staff working in the Washington D.C. area (Washington, D.C., and nearby counties in Virginia and Maryland) who were not assigned location codes for TSA headquarters, and asked TSA to identify which of these individuals were considered headquarters staff. All TSES staff not identified as headquarters staff were considered field staff.⁵

We believe that the CPDF data are sufficiently reliable for the purposes of this study. Regarding the CPDF, we have previously reported that governmentwide data from the CPDF were 97 percent or more accurate.⁶

⁴Aside from TSA, of all other components, only U.S. Customs and Border Protection (for all fiscal years) and DHS Headquarters (for fiscal years 2007 and 2008 only) had over 50 executives.

⁵There were 15 positions we asked TSA to identify as headquarters or field staff for the fiscal year 2004 to 2008 time period.

⁶See GAO, *OPM's Central Personnel Data File: Data Appear Sufficiently Reliable to Meet Most Customer Needs*, [GAO/GGD-98-199](#) (Washington, D.C.: September 1998). [GAO/GGD-98-199](#) does not provide data specific to "total separations" or "separation types"; however, it can be inferred from what is in the report that the key data elements of this study (i.e., pay plan, agency, nature of action, and effective date) are reliable. Moreover, in a document dated February 28, 2008, an OPM official confirmed that OPM continues to follow the same CPDF data quality standards and procedures discussed in our 1998 report that led us to conclude initially that CPDF data were reliable.

Objective 2 - Reasons for TSES Separations from TSA and Stakeholder Views on the Impact of TSES Attrition on TSA Operations

To identify the reasons for TSES staff attrition, we selected a nonprobability sample of 46 former TSES staff members to interview from a TSA-provided list of 95 TSES staff members who separated from the agency during fiscal years 2005 through 2008.⁷ TSA provided us with the last-known contact information for each of these individuals. We searched electronic databases, such as LexisNexis, or used Internet search engines to obtain current contact information for these individuals if the information TSA provided was outdated. We determined that the TSA-provided list of 95 former TSES staff was sufficiently reliable for the purposes of this study. To make this determination, we compared TSA data on TSES staff separations with the number of TSES separations identified in CPDF and found that both sources reported sufficiently similar numbers of TSES staff separations per fiscal year.

We attempted to select former TSES staff based on a probability sample in order to generalize about the reasons for TSES separation. Of the 46 interviewees, 31 were selected based upon a randomized list of the 95 separated TSES created to select a probability sample. We were unable to obtain an acceptable response rate for our sample, thus we determined we would continue interviewing until we had obtained responses from about half of the 95 separated TSES staff. We selected the remaining 15 interviewees in our sample of 46 in such a way that the proportion of interviewees with the following three characteristics—fiscal year of separation (2005 through 2008), manner of separation (resignations, retirements, etc.), and job location (headquarters or field)—would be about the same as the proportion of the 95 TSES staff members who separated during fiscal year 2005 through 2008 who had those characteristics. For example, if one-third of the 95 former TSES staff TSA identified left the agency in fiscal year 2005, then our goal was to ensure that approximately one-third of the 46 former TSES we interviewed left in 2005. We were not always successful in obtaining interviews with staff possessing some of the characteristics required to make our sample population resemble the larger population; however, for most characteristics, our sample of 46 generally had the same proportions as the larger population of TSES (see table 8). To obtain our sample of 46 TSES, we contacted a total of 70 of the 95 separated TSES, and of these 70, 24 did

⁷Due to a change in its system for tracking human capital information, data on TSES staff prior to August 2005 were difficult and time-consuming for TSA to provide; therefore, we did not include TSES separating before fiscal year 2005 within our sample in order to expedite the receipt of a complete list of former TSES from which to make our interviewee selections.

not respond to our request for an interview. Specifically, 16 of these nonresponses were from our attempt to select a probability sample. After we began selecting TSES for interviews based on the three characteristics—fiscal year of separation (2005 through 2008), manner of separation (resignations, retirements, etc.), and job location (headquarters or field)—we encountered an additional 8 nonresponses.

Table 8: TSES Staff Who Separated from Fiscal Years 2005 through 2008 Possessing Selection Criteria Characteristics

Selection criteria characteristics	Percentage of TSES population (n=95)	Percentage of sample TSES interviewed (n=46)
Resignations	52% (49)	46% (21)
Retirements	18% (17)	17% (8)
Terminations	6% (6)	9% (4)
Termination through expiration of a limited term appointment	3% (3)	2% (1)
Transfers	21% (20)	26% (12)
Headquarters staff	66% (63)	72% (33)
Field staff	34% (32)	28% (13)
FY 2005 separations	34% (32)	30% (14)
FY 2006 separations	29% (28)	33% (15)
FY 2007 separations	21% (20)	24% (11)
FY 2008 separations	16% (15)	13% (6)

Source: GAO analysis of TSA data.

Since we determined which former TSES staff to interview based on a nonprobability sample, we cannot generalize the interview results to all TSES staff who separated from TSA from fiscal years 2005 through 2008. However, these results provided us with an indication of the range of reasons why nearly half of the TSES staff who separated from TSA during this time period left the agency.

To ensure consistency in conducting our interviews with separated TSES staff members, we developed a structured interview guide of 24 questions that focused on senior-level executives' reasons for separation and their opinions on how TSA could better manage attrition. We conducted 3 of the 46 interviews in person at GAO headquarters and the remainder via telephone. Our question on the reasons for separation was open-ended; therefore, to analyze the responses to this question, we performed a systematic content analysis. To do so, our team of analysts reviewed all

responses to this question, proposed various descriptive categories in which TSES reasons for leaving TSA could be grouped based upon themes that emerged from the interview responses, and ultimately reached consensus on the 12 categories listed in table 9 below.

Table 9: Fiscal Years 2005 through 2008 Separated TSES Staff Members' Cited Reasons for Leaving TSA

Reasons for separation
1. Pursuit of another professional opportunity
2. Personal and/or family reasons
3. Expiration of a limited term appointment or reannuitant waiver
4. Dissatisfaction with leadership style of top management
5. Perception that some TSES colleagues lacked executive-level skills or were selected for positions based on personal relationships
6. Dissatisfaction with position authority or responsibilities
7. Disagreement with top leadership's priorities or decisions
8. Frustration with agency reorganizations and turnover of administrators
9. Perception that TSA treated TSES executives and other employees in an unprofessional or disrespectful manner
10. Termination or perception of being forced to leave TSA
11. Other adverse reason
12. Pay (insufficient pay and/or inequitable pays)

Source: GAO analysis of interview responses of 46 former TSES staff who left TSA from fiscal years 2005 through 2008.

To determine which categories applied to a particular response provided by the former TSES staff members we interviewed, two analysts independently reviewed interview responses and assigned categories to the data; there was no limit to the number of categories the analysts could assign to each response. If the two analysts assigned the same categories, we considered the reasons for separation agreed upon. If they determined different categories applied, a third analyst reviewed the interview data and independently assigned categories. If the third analyst assigned the same category as one of the other reviewers, we considered the reason for separation the agreed upon category. If all three analysts assigned different categories, we coded the reason for separation as "unclassified." Of the 46 responses we received to our question regarding reasons why the former TSES we interviewed separated from TSA, the initial two analysts agreed upon the categories for 37 TSES staff members' responses. For all 9 responses in which there was disagreement, a third analyst who reviewed the data agreed with the category assigned by one of the other two analysts.

One of the general categories we established for why TSES separated from TSA was dissatisfaction with numerous agency reorganizations. To identify the number of reorganizations TSA experienced since its creation, and the movement of TSES staff associated with these reorganizations, we analyzed 10 organization charts provided to us by TSA covering calendar years 2002 through 2008.⁸ These charts identified only high-level TSA organizational divisions and the TSES staff member (usually an Assistant Administrator) who headed each division.⁹ To identify movement of TSES staff, we compared the charts in chronological order and counted the number of changes in the TSES staff person heading the division from one chart to the next. In conducting our analysis, we did not determine whether changes in TSES staff from one chart to the next were directly attributable to TSA's reorganizations because we did not have the resources to investigate the specific circumstances surrounding each of the 149 changes.

Another of the general categories we established for why TSES staff separated from TSA was dissatisfaction due to their perception of receiving insufficient or inequitable pay. TSA provided us data on the total amount of bonuses received by TSES staff employed with TSA during fiscal years 2005 through 2008. We analyzed these data to identify the number of TSES staff who received bonuses and the range of these cumulative payments for staff who separated and for those who did not separate during this period. For TSES staff who received, in addition to bonuses, relocation, retention, and recruitment payments, TSA provided us with a single sum for all these payments. For these TSES staff, we could not identify the amount of the bonus from other payments made for recruitment, retention, or relocation purposes. Thus, we excluded from our analysis any individual receiving payments for recruitment, retention, or relocation, in addition to bonuses. Specifically, we excluded data for 4 TSES staff who separated during fiscal years 2005 through 2008, and 34

⁸Specifically we received two for 2002; two for 2003; two for 2004; two for 2005; one for 2006; and one for 2008. We were unable to determine, and TSA was unable to confirm, whether these charts depicted all TSA reorganizations since the agency's creation. Furthermore, because these charts only identified TSES staff members who led each division, our analysis did not capture the changes in lower-level TSES staff resulting from reorganizations.

⁹We were unable to use these charts to determine the extent of organizational change (that is, the number of changes in placement of divisions within the organization) resulting from reorganizations because, for various reasons, mergers and separations between divisions were not always clear when comparing the successive charts.

TSES staff who were employed throughout the 4-year period. Although we assessed TSA data on the number of TSES staff separations for fiscal years 2005 through 2008 and found them reliable, we were not able to assess the reliability of the specific amounts of supplemental pay TSA reported giving to TSES over this time period because some of these data were not recorded within the CPDF for comparison. However, we confirmed with TSA that the data provided were applicable to all TSES employed over the fiscal year 2005 through 2008 time period.

To address the impact of TSES attrition, we interviewed supervisors of separated TSES, employees who were direct reports to—that is, employees who were directly supervised by—separated TSES staff, and industry associations representing some of the various transportation sectors (aviation, surface, and maritime) that collaborate with TSA on transportation security initiatives. To conduct interviews with supervisors, we asked TSA to identify TSES supervisors who were still with TSA and who supervised any TSES who separated during fiscal years 2005 through 2008. TSA identified nine TSES staff still at the agency who had supervised other TSES staff; we requested interviews with eight of these supervisors and conducted seven interviews.¹⁰ We asked the supervisors to identify the impact, if any, of the TSES separation(s) on 1) development or implementation of TSA programs or initiatives and 2) external stakeholder relations. Two analysts then performed a systematic content analysis to determine if the responses to our interview questions portrayed a positive impact, negative impact, or little to no impact. The analysts agreed in their determinations for all seven interviews.

To identify direct reports for interviews, we asked the former TSES we interviewed to provide us with names of employees who reported directly to them when they were in TSES positions and who they believed were still TSA employees; among the 25 former TSES staff who responded to our inquiry, we were given names of 52 TSA employees who had reported directly to these TSES staff during their tenure at TSA.¹¹ Though this selection method relied upon the recommendations of separated TSES

¹⁰These were with four Assistant Administrators, one supervisory FSD, and two other TSES in positions which required them to supervise other TSES. We did not request an interview with the remaining supervisor because this person was the Acting Administrator of TSA, and her views would be captured in the agency's final comment upon our draft.

¹¹At this point in our engagement, we had interviewed a total of 38 separated TSES staff members.

staff, we attempted to adjust for any bias the TSES staff may have had when recommending these individuals by ensuring that the direct reports we interviewed were evenly distributed across the following three categories: 1) reported to TSES staff who left TSA for only nonadverse reasons; 2) reported to TSES staff who left TSA for a combination of nonadverse and adverse reasons; and 3) reported to TSES staff who left TSA for adverse reasons only.¹² We then selected 26 direct reports for interviews from among the three groups.¹³ We were able to conduct a total of 22 interviews: 5 from the nonadverse category; 4 from the nonadverse/adverse category; and 13 from the adverse only category.¹⁴ We conducted 9 of the 22 interviews in person at TSA headquarters with only ourselves—and no other TSA employee—present in the room; we conducted the remainder of direct report interviews via telephone, with a TSA staff person online throughout the call. This staff person was the TSA liaison, whose responsibility is to ensure that GAO receives access to requested documentation and interviews for a given engagement. Though the TSA liaison had no supervisory authority over the direct report staff we interviewed, the presence of this individual during the phone call could have inhibited the responses of the direct report interviewees we spoke with via telephone. We asked the direct reports to describe the impact, if any, of a TSES supervisor's separation on their individual responsibilities and the efforts underway in their particular division. We then performed a systematic content analysis of their responses in the same manner as our content analysis of separated TSES interviews. The two analysts reviewing the direct report interviews agreed in their determinations for all 22 interviews.

¹²The separated TSES staff members who identified direct reports had been placed into these categories based on the preliminary results of the content analysis we were performing to determine the reasons for TSES separation.

¹³Because a smaller number of direct reports were identified by TSES in the former two groups (nonadverse only and a combinations of adverse and nonadverse), we selected all direct reports identified by these two groups—a total of 11 individuals (5 were identified by the non-adverse only group and 6 were identified by the combination group). With regard to direct reports identified by separated TSES staff reporting only adverse reasons, we selected one direct report from each separated TSES who provided names, a total of 15 individuals.

¹⁴Two of the direct reports identified to use for interviews had already left TSA; because the separated TSES provided contact information for these individuals, we were able to interview them. These were the only direct reports we interviewed who were not currently employed with TSA.

Finally, to obtain perspectives from industry stakeholders, we interviewed seven TSA transportation industry groups. We identified these industry groups based on our experience in the field of transportation security and by canvassing GAO analysts working in the area of transportation security for other contacts. We requested interviews with 13 industry stakeholder groups and either received written responses or obtained interviews with 7—specifically 3 aviation associations, 1 surface transportation association; and 3 maritime transport associations.¹⁵ We asked the stakeholders to identify whether they were aware of turnover among TSES staff, how they knew turnover had occurred, and how it impacted a specific policy or program they were working with TSA to implement. Two analysts then performed a systematic content analysis on the responses, and there was no disagreement between their determinations.

Although the direct report, supervisor, and industry stakeholder interviews provided important perspectives on impact of executive attrition, the results could not be generalized, and therefore, do not represent the views of the entire population of each group.

¹⁵Specifically, we spoke with officials from Airports Council International, the International Air Transport Association, the American Public Transportation Association, the Airport Law Enforcement Agencies Network, the American Association of Port Authorities, the World Shipping Council, and the Chamber of Shipping of America. The remaining six industry groups that we contacted did not respond to our initial request for an interview, thus we were not able to obtain their views. Of the six industry groups that did not respond, two were aviation associations, two were maritime transport associations, and two were surface transportation associations.

Objective 3-The Extent to which TSA Efforts to Manage TSES Attrition and Improve Overall Management of Its TSES Workforce Are Consistent with Effective Human Capital Practices and Standards for Internal Control

To gather information on TSA efforts to address attrition, we interviewed the Assistant Administrator and the Deputy Assistant Administrator of TSA's Human Capital Office to learn about the various initiatives they have underway to address attrition and to improve management of their executive resources. These officials identified several initiatives, which we assessed, including a reinstated exit interview process, decreased use of limited term appointments, and recent release of a comprehensive handbook delineating TSES human capital policies, succession planning, and the establishment of a merit-based staffing process.

To assess the exit survey process, we consulted prior GAO reports that address the use of exit interview data in workforce planning.¹⁶ We reviewed exit interviews TSA conducted under its previous process (specifically, five interviews dating from January 2008 through September 2008), and examined TSA's data collection tool for conducting these interviews. We also reviewed the National Exit Survey instrument that TSA is presently using to conduct exit interviews of TSES staff, and conducted interviews with TSA human capital officials on the agency's plans for implementing this process.

To determine whether TSA has decreased its use of TSES limited term appointments, we reviewed TSA-provided data on the number of limited term appointments the agency made for fiscal years 2004 through 2008, and reviewed CPDF data on the total number of TSES staff hired for fiscal years 2004 through 2008. We were not able to determine the reliability of these data because some TSA data on limited term appointments were not recorded within CPDF.

To determine the extent to which TSA's handbook for TSES human capital policies and its succession plan were consistent with effective human capital practices and internal control standards, we reviewed criteria in prior GAO reports, as well as the standards for internal control in the federal government.¹⁷ We reviewed TSA management directives for TSES staff from fiscal year 2003 through fiscal year 2008 (one of which is the

¹⁶See GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 2002), and GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: December 2003).

¹⁷See [GAO-02-373SP](#), and GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

November 2008 handbook),¹⁸ as well as TSA's succession plan (both the 2006 and 2008 versions).¹⁹ To identify the extent to which TSA has implemented its succession plan, we also reviewed TSA data on the number of staff who completed executive-level training identified within its succession plan and spoke with human capital officials responsible for compiling these data.

Finally, to determine the extent to which TSA has been following merit-based staffing requirements for hiring TSES staff, we first reviewed documentation delineating TSA's hiring process, specifically its Executive Resource Council (ERC) charter. To determine the merit staffing requirements TSA's ERC process should encompass, we reviewed applicable OPM regulations addressing merit staffing.²⁰ We identified seven merit staffing requirements that should have been reflected within TSA's hiring process, and therefore, within its documentation of hiring decisions (see table 7). To ensure that the seven requirements we identified were an appropriate standard for assessing TSA's performance of merit staffing, we reviewed OPM's audit procedures for merit staffing and found that OPM requires agencies operating under its jurisdiction to document performance of these seven requirements. In addition, TSA officials also confirmed that these were the key merit staffing requirements they followed and agreed that these should be reflected within documentation for TSES hiring decisions.

¹⁸Transportation Security Administration Office of Human Capital, *TSA Handbook to Management Directive No. 1100.30-24, Transportation Security Executive Service Program* (Washington, D.C.: November, 2008).

¹⁹Transportation Security Administration Office of Human Capital, *Succession Plan for TSA* (Washington, D.C.: Sept. 24, 2008, updated Dec. 1, 2008). Transportation Security Administration Office of Human Capital, *Succession Plan for TSA* (Washington, D.C.: June 2006).

²⁰Pursuant to ATSA, TSA adopted the personnel management system established by the Federal Aviation Administration, which falls outside of OPM's jurisdiction and, therefore, is not bounded by OPM requirements, including merit staffing requirements for executive appointments. See 49 U.S.C. §§ 114(n), 40122(g); see also generally 49 C.F.R. tit. 5. However, TSA's ERC charter, which identifies TSA's process for staffing TSES staff, states that the process follows merit staffing procedures; moreover, the TSA Assistant Administrator for Human Capital stated in an interview that merit staffing procedures, as identified within regulations, are embedded within TSA's staffing process. See generally 49 C.F.R. pt. 317.

Table 10: Seven Key Merit Staffing Requirements

Public notice of position availability
Identification of all minimally eligible candidates
Identification of position qualifications
Rating and ranking of all eligible candidates using position qualifications
Determination of a best-qualified list
Selection of a candidate for the position from among those best qualified
TSA's certification of a candidate's executive and technical qualifications

Source: GAO review of OPM regulations establishing merit staffing requirements. (5 C.F.R. §§ 317.501-.502).

To determine whether TSA was documenting its performance of the seven merit staffing requirements, we reviewed all case files for competitively filled, career appointments to TSES positions for calendar years 2006 and 2008—a total of 41 case files.²¹ We reviewed case files for competitively filled, career appointments specifically because TSA has committed to using merit staffing for these hiring decisions; thus, we could expect to find documentation of TSA's performance of merit staffing procedures within these files. We did not review case files from 2007, because we were interested in comparing how TSA followed merit staffing requirements when it initially established its ERC process in 2006, with how it followed them more recently in 2008—the most recent full calendar year when we undertook our review. After we provided the draft report to DHS for comment on July 27, 2009, TSA officials informed us that they had additional documentation to demonstrate that the agency had adhered to the merit staffing principle of agency certification of the candidate's executive and technical qualifications for more TSES career positions than the number identified in our draft report. TSA provided this additional documentation to us on September 4, 2009. Although this documentation had not been kept in the files we reviewed, we assessed the additional documentation and revised our report accordingly.

We conducted this performance audit from April 2008 through October 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to

²¹Specifically, we looked at 25 case files dating from March 2006 (when TSA's staffing process was established) through the end of calendar year 2006 and 16 case files from calendar year 2008 (the most recent full calendar year in which TSA was following its ERC process).

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Appendix II: Transportation Security Executive Service Staff Attrition Data

The following tables provide data for fiscal years 2004 through 2008 on the number of senior executive staff who attrited—or separated—from the Transportation Security Administration (TSA); other selected Department of Homeland Security (DHS) agencies; and all cabinet-level departments, excluding DHS. In this report, we define attrition as separation from an agency by means of resignation, termination, retirement, expiration of appointment, or transfer to another cabinet-level department. Senior executive staff members in TSA are those individuals who are part of the Transportation Security Executive Service (TSES), and senior executives for other DHS agencies and cabinet-level departments are those individuals who are part of the Senior Executive Service (SES) or who hold SES-equivalent positions (for those agencies within cabinet-level departments that, like TSA, do not have SES). The DHS agencies for which we provide SES attrition data are those with operational missions, namely the Federal Emergency Management Agency (FEMA), U.S. Customs and Border Protection (CBP), U.S. Coast Guard (USCG), U.S. Citizenship and Immigration Services (USCIS), U.S. Immigration and Customs Enforcement (ICE), and U.S. Secret Service (USSS). We also provided SES attrition data for “DHS Headquarters,” which includes all DHS executive staff in positions serving departmentwide functions, such as those involving financial or human capital management.¹ We do not report rates and percentages for populations under 50. Although the executive populations of TSA and some DHS components for fiscal years 2004 through 2008 numbered more than 50 individuals (namely CBP, DHS Headquarters, and Rest of DHS), most DHS components had less than 50 executives during this period. So that the presentation of our data would be uniform, we chose to present the attrition data in tables 11, 13, 15, 17, and 19 in total figures for all DHS components.

¹The remaining TSES at smaller DHS components we included within the category, “Rest of DHS,” table notes identify which TSA component executives are included within this category for each fiscal year.

**Appendix II: Transportation Security
Executive Service Staff Attrition Data**

Table 11: Fiscal Year 2004 Attrition Data by Separation Type for Senior Executives at All DHS Components

Agency	Average number of executives ^a	Total attrited	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	154	25	0	4	9	3	1	8
CBP	64	16	0	0	1	15	0	0
USSS	38	10	0	0	0	10	0	0
FEMA	38	8	0	0	4	2	0	2
ICE	36	6	0	0	3	3	0	0
USCG	10	2	0	0	0	1	0	1
USCIS	15	0	0	0	0	0	0	0
DHS headquarters	26	7	0	0	4	0	0	3
Rest of DHS ^b	50	13	0	0	7	2	0	4

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aFor all tables in which we present data on the average number of executives, we calculated these figures by averaging (1) the number of senior executive staff in the CPDF as of the last pay period of the fiscal year prior to the fiscal year for which the attrition rate was calculated and (2) the number of senior executive staff in CPDF as of the last pay period of the fiscal year in which the attrition occurred.

^bIncludes Office of the Inspector General; Office of the Under Secretary (OUS) Border and Transportation Security; Federal Law Enforcement Training Center; OUS Information Analysis and Infrastructure Protection; OUS Management; and OUS for Science and Technology.

Table 12: Fiscal Year 2004 Attrition Rates by Separation Type for Senior Executives at TSA, DHS, and all Cabinet-level Departments

Agency	Average number of executives	Rate of attrition ^a	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	154	16%	<1%	3%	6%	2%	1%	5%
DHS (excluding TSA) ^b	268	23%	0%	0%	7%	12%	0%	4%
Cabinet-level agencies (excluding DHS)	6269	10%	<1%	<1%	2%	7%	<1%	2%

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aDue to rounding, the sum of the attrition rates by separation type may not add to the rate of attrition.

^bThe sum of the average number of SES in the individual DHS components (excluding TSA) in table 11 will not equal the average number of DHS (excluding TSA) in table 12 because these are average numbers, and not total numbers, of SES employed over the year.

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Table 13: Fiscal Year 2005 Attrition Data by Separation Type for Senior Executives at All DHS Components

Agency	Average number of executives	Total attrited	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	160	32	1	3	20	4	0	4
CBP	58	8	0	0	0	6	1	1
USSS	39	10	0	0	0	10	0	0
FEMA	33	8	0	0	2	3	0	3
ICE	31	6	0	0	1	3	0	2
USCIS	16	2	0	0	1	1	0	0
USCG	8	3	0	0	0	3	0	0
DHS headquarters	35	15	0	0	10	1	0	4
Rest of DHS ^a	60	13	0	0	5	4	0	4

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aIncludes Office of the Inspector General; OUS Border and Transportation Security; Federal Law Enforcement Training Center; OUS Information Analysis and Infrastructure Protection; OUS Management; OUS For Science and Technology.

Table 14: Fiscal Year 2005 Attrition Rates by Separation Type for Senior Executives at TSA, DHS, and all Cabinet-level Departments

Agency	Average number of executives	Rate of attrition ^a	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	160	20%	1%	2%	13%	3%	0%	3%
DHS (excluding TSA) ^b	278	23%	0%	0%	7%	11%	<1%	5%
Cabinet-level agencies (excluding DHS)	6289	11%	<1%	<1%	3%	7%	<1%	2%

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aDue to rounding, the sum of the attrition rates by separation type may not add to the rate of attrition.

^bThe sum of the average number of SES in the individual DHS components (excluding TSA) in table 13 will not equal the average number of DHS (excluding TSA) in table 14 because these are average numbers, and not total numbers, of SES employed over the year.

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Table 15: Fiscal Year 2006 Attrition Data by Separation Type for Senior Executives at All DHS Components

Agency	Average number of executives	Total attrited	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	144	27	0	2	18	4	0	3
CBP	67	10	0	0	3	7	0	0
USSS	41	7	0	0	0	7	0	0
FEMA	35	13	0	0	5	6	0	2
ICE	33	4	0	0	2	2	0	0
USCIS	16	3	0	0	0	3	0	0
USCG	8	1	0	0	0	1	0	0
DHS headquarters	50	24	0	0	13	6	0	5
Rest of DHS ^a	57	12	0	0	4	4	0	4

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aIncludes Department of Homeland Security; Office of the Inspector General; OUS Border and Transportation Security; Federal Law Enforcement Training Center; OUS Information Analysis and Infrastructure Protection; and OUS for Science and Technology.

Table 16: Fiscal Year 2006 Attrition Rates by Separation Type for Senior Executives at TSA, DHS, and all Cabinet-Level Departments

Agency	Average number of executives	Rate of attrition ^a	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	144	19%	<1%	1%	13%	3%	0%	2%
DHS (excluding TSA) ^b	306	24%	0%	0%	9%	12%	0%	4%
Cabinet-level agencies (excluding DHS)	6403	11%	<1%	<1%	2%	6%	<1%	2%

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aDue to rounding, the sum of the attrition rates by separation type may not add to the rate of attrition.

^bThe sum of the average number of SES in the individual DHS components (excluding TSA) in table 15 will not equal the average number of DHS (excluding TSA) in table 16 because these are average numbers, and not total numbers, of SES employed over the year.

**Appendix II: Transportation Security
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Table 17: Fiscal Year 2007 Attrition Data by Separation Type for Senior Executives at All DHS Components

Agency	Average number of executives	Total attrited	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	139	18	1	1	6	6	2	2
CBP	74	15	0	0	1	14	0	0
USSS	45	5	0	0	0	5	0	0
FEMA	43	6	0	0	2	1	0	3
ICE	42	10	0	0	1	8	0	1
USCIS	24	3	0	0	1	2	0	0
USCG	9	2	0	0	1	0	0	1
DHS headquarters	76	10	0	0	5	1	0	4
Rest of DHS ^a	52	11	0	0	4	3	0	4

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aIncludes Department of Homeland Security; Office of the Inspector General; Federal Law Enforcement Training Center; OUS Information Analysis and Infrastructure Protection; and OUS for Science and Technology.

Table 18: Fiscal Year 2007 Attrition Rates by Separation Type for Senior Executives at TSA, DHS, and all Cabinet-level Departments

Agency	Average number of executives	Rate of attrition ^a	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	139	13%	1%	1%	4%	4%	1%	1%
DHS (excluding TSA) ^b	365	17%	0%	0%	4%	9%	0%	4%
Cabinet-level agencies (excluding DHS)	6575	11%	<1%	0%	2%	7%	<1%	2%

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aDue to rounding, the sum of the attrition rates by separation type may not add to the rate of attrition.

^bThe sum of the average number of SES in the individual DHS components (excluding TSA) in table 17 will not equal the average number of DHS (excluding TSA) in table 18 because these are average numbers, and not total numbers, of SES employed over the year.

**Appendix II: Transportation Security
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Table 19: Fiscal Year 2008 Attrition Data by Separation Type for Senior Executives at All DHS Components

Agency	Average number of executives	Total attrited	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	144	15	0	0	4	5	1	5
CBP	89	8	0	0	2	5	0	1
FEMA	54	10	0	0	4	4	0	2
ICE	51	8	0	0	2	6	0	0
USSS	47	11	0	0	0	11	0	0
USCIS	41	1	0	0	0	1	0	0
USCG	12	0	0	0	0	0	0	0
DHS headquarters	102	18	0	0	13	2	0	3
Rest of DHS ^a	53	5	0	0	2	2	0	1

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aIncludes Office of the Inspector General; Federal Law Enforcement Training Center; OUS Information Analysis and Infrastructure Protection; and OUS for Science and Technology.

Table 20: Fiscal Year 2008 Attrition Rates by Separation Type for Senior Executives at TSA, DHS, and all Cabinet-Level Departments

Agency	Average number of executives	Rate of attrition ^a	Other	Terminated	Resigned	Retired	Termination - expiration of appointment	Voluntary/other transfer
TSA	144	10%	<1%	0%	3%	3%	1%	3%
DHS (excluding TSA) ^b	446	14%	0%	0%	5%	7%	0%	2%
Cabinet-level agencies (excluding DHS)	6791	11%	<1%	<1%	2%	6%	<1%	2%

Source: GAO analysis of data from OPM's Central Personnel Data File.

^aDue to rounding, the sum of the attrition rates by separation type may not add to the rate of attrition.

^bThe sum of the average number of SES in the individual DHS components (excluding TSA) in table 19 will not equal the average number of DHS (excluding TSA) in table 20 because these are average numbers, and not total numbers, of SES employed over the year.

Appendix III: Transportation Security Administration National Exit Survey



Transportation Security Administration

National Exit Survey

- Use a No. 2 pencil or black pen only
- Make solid marks that fill the oval completely
- Do not fold, tear or mutilate this form

The ONLY correct mark . . . ●

(1) Which of the following describes how you viewed your job with TSA when you were hired? (select all that apply):

<ul style="list-style-type: none"> <input type="checkbox"/> A stepping-stone into the Federal government <input type="checkbox"/> A way to earn a living until something better came along <input type="checkbox"/> An opportunity to serve my country 	<ul style="list-style-type: none"> <input type="checkbox"/> A long-term career <input type="checkbox"/> A way to build my resume <input type="checkbox"/> None of the above
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(2) From the list below, select up to three factors that significantly impacted your decision to leave TSA. Assign a rank to each of the three factors by filling in the oval corresponding to the level of impact each had on your decision to leave – “1” (most important), “2” (next most important), or “3” (third most important). Be sure to assign each rating (1, 2, and 3) ONLY ONCE. Some reasons for leaving are followed by additional questions (indicated in *italics*). Only respond to these additional questions if you chose the corresponding reason for leaving.

<p>1 2 3 Benefits (e.g., health benefits, tuition assistance, parking)</p> <ul style="list-style-type: none"> • What was your dissatisfaction with benefits? (mark all that apply) <input type="checkbox"/> Benefits were unavailable <input type="checkbox"/> Benefits were not affordable <p>1 2 3 Career advancement</p> <ul style="list-style-type: none"> • What was your dissatisfaction with career advancement? (mark all that apply) <input type="checkbox"/> Limited information on career advancement opportunities <input type="checkbox"/> Too few opportunities for career advancement <input type="checkbox"/> Career development not supported <input type="checkbox"/> Advancement process was unfair <p>1 2 3 Job duties/responsibilities</p> <ul style="list-style-type: none"> • What was your dissatisfaction with your job duties? (mark all that apply) <input type="checkbox"/> Work was not interesting/challenging <input type="checkbox"/> Not enough work to do <input type="checkbox"/> Work was too physically demanding <input type="checkbox"/> Did not like customer service aspect of work/unpleasant customer interactions <input type="checkbox"/> Too much pressure/stress <input type="checkbox"/> Policies/procedures (e.g., too rigid, changed too frequently) <input type="checkbox"/> Too much travel <p>1 2 3 Lack of job security/stability</p> <p>1 2 3 Manager/Supervisor</p> <ul style="list-style-type: none"> • With whom were you dissatisfied? (mark all that apply) <input type="checkbox"/> Supervisor (e.g., first level management) <input type="checkbox"/> Manager (e.g., second level management) <ul style="list-style-type: none"> • What was your dissatisfaction with your manager/supervisor? (mark all that apply) <input type="checkbox"/> Lacked technical knowledge <input type="checkbox"/> Lacked management skills <input type="checkbox"/> Did not appreciate my work <input type="checkbox"/> Unfair practices (e.g., in performance appraisal, disciplinary actions, career advancement) <input type="checkbox"/> Did not treat me with respect <input type="checkbox"/> Lack of communication/poor communication <input type="checkbox"/> Did not keep promises <input type="checkbox"/> Did not consider employee suggestions/input <input type="checkbox"/> Did not trust manager/supervisor <p>1 2 3 Needed/wanted full-time work</p>	<p>1 2 3 Pay</p> <ul style="list-style-type: none"> • With what specific element(s) of your pay were you dissatisfied? (mark all that apply) <input type="checkbox"/> Base pay <input type="checkbox"/> Bonuses <input type="checkbox"/> Pay raises <ul style="list-style-type: none"> • What was your dissatisfaction with pay? (mark all that apply) <input type="checkbox"/> Pay for performance system did not reward top performers <input type="checkbox"/> Wanted to be covered by pay for performance system (and was not) <input type="checkbox"/> Was not paid fairly in relation to others in similar industry/field <input type="checkbox"/> Was not paid fairly in relation to my contributions <p>1 2 3 Personal Reasons (mark all that apply)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Commute <input type="checkbox"/> Desire to further education <input type="checkbox"/> Moving out of area <input type="checkbox"/> Retiring <input type="checkbox"/> Health concerns <input type="checkbox"/> Family/Other commitments <p>1 2 3 Relationship with co-workers (e.g., did not get along, negative attitudes, lack of teamwork)</p> <p>1 2 3 Schedule</p> <ul style="list-style-type: none"> • What was your dissatisfaction with your schedule? (mark all that apply) <input type="checkbox"/> Dissatisfied with shift bidding process <input type="checkbox"/> Promised different schedule when hired <input type="checkbox"/> Schedule changed too often <input type="checkbox"/> Too difficult to balance work and family <p>1 2 3 Senior leadership (e.g., AA, FSD, Administrator)</p> <ul style="list-style-type: none"> • What was your dissatisfaction with senior leadership? (mark all that apply) <input type="checkbox"/> Too much change in leadership team <input type="checkbox"/> Lacked vision and effective strategy <input type="checkbox"/> Inadequate communication with workforce <input type="checkbox"/> Did not trust senior leadership <p>Working conditions</p> <ul style="list-style-type: none"> • What was your dissatisfaction with working conditions? (mark all that apply) <input type="checkbox"/> Noise <input type="checkbox"/> Temperature <input type="checkbox"/> Break rooms <p>1 2 3 Other (please specify) _____</p>
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Appendix III: Transportation Security Administration National Exit Survey

- (3) How many jobs (including TSA) have you left in the last three years? 1-2 3-4 5-6 More than 6
- (4) Have you located another job?
 Yes → Continue to #5
 No → Skip to #7
- (5) Is your new job within the Federal Government?
 Yes → Continue to #6
 No → Skip to #7
- (6) Is your new job within DHS? Yes No
- (7) Did anyone at TSA try to convince you to stay? Yes No
- (8) Would you have considered a transfer to another TSA location (e.g., airport, HQ office) if the opportunity were available?
 Yes
 Yes, but only if relocation assistance was provided by TSA
 No

Please indicate your agreement with the following statements using the scale provided.

SA = Strongly Agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly Disagree

- (9) The realities of my job matched what TSA told me to expect when I was first hired. SA A N D SD
- (10) I would recommend TSA as a good place to work to a close friend or relative. SA A N D SD
- (11) I would consider accepting another position with TSA in the future. SA A N D SD
- (12) I feel that actions will be taken to improve TSA based on the results of this survey. SA A N D SD

(13) Narrative Comments

What one or two things do you think TSA should do to retain talented employees? (Please limit your responses to one paragraph or less.)

The following questions are **OPTIONAL**. Responses will **NOT** be used to identify individual respondents. Groups with fewer than **FIVE (5)** respondents will not be reported.

- (14) How long did you work for TSA?
 Less than 6 months
 6 months to less than 1 year
 1 year to less than 3 years
 3 years to less than 5 years
 More than 5 years
- (15) What was your most recent job category?
 TSO
 LTSO
 Master TSO
 STSO
 Expert TSO
 Screening/Security Manager
 FSD Staff
 HQ Staff (Arlington, Atlantic City, Herndon, Reston)
- (16) What was your work status?
 Full-time Part-time
- (17) What was your supervisory status?
 Supervisor Non-supervisor
- (18) What is your gender?
 Male Female
- (19) What is your race/ethnicity?
 White
 Black or African American
 Hispanic or Latino
 American Indian or Alaskan Native
 Asian
 Native Hawaiian or other Pacific Islander
 Two or more races
- (20) What is your age?
 Younger than 20
 20-30 years
 31-40 years
 41-50 years
 51-60 years
 61 or over
- (21) For TSOs Or Jr: What was your screening function?
 Passenger Baggage Dual Function

A	A	A
B	B	B
C	C	C
D	D	D
E	E	E
F	F	F
G	G	G
H	H	H
I	I	I
J	J	J
K	K	K
L	L	L
M	M	M
N	N	N
O	O	O
P	P	P
Q	Q	Q
R	R	R
S	S	S
T	T	T
U	U	U
V	V	V
W	W	W
X	X	X
Y	Y	Y
Z	Z	Z

Appendix IV: Comments from the Department of Homeland Security

U.S. Department of Homeland Security

Washington, DC 20528



**Homeland
Security**

October 7, 2009

Mr. Stephen M. Lord
Director, Homeland Security and Justice Issues
Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Lord:

This letter presents the Department of Homeland Security's official response to the Government Accountability Office's (GAO) draft report, "TSA Executive Attrition has Declined, but Better Information is Needed on Reasons for Leaving and Executive Hiring Process" (GAO-09-818), as amended. The Transportation Security Administration (TSA) appreciates the opportunity to respond to your investigation.

As the draft report notes, attrition from the Transportation Security Executive Service (TSES) has consistently remained lower than Department of Homeland Security (DHS) Senior Executive Service (SES) attrition since 2004, throughout the period of your review, and has been equal to or lower than the rest of government SES attrition level since 2007. This level of attrition demonstrates that TSA has built a strong and stable executive leadership corps.

Because of the methodology of GAO's survey of former TSES employees, TSA cannot respond to any anonymous responses from former TSES personnel regarding their reasons for separation. Individuals left TSA for a variety of reasons, including leadership opportunities in DHS and other Federal agencies, differences with leadership, and for performance and integrity related issues. Nevertheless, as the attrition rate demonstrates, many more TSES personnel have stayed with TSA than have left.

As the report indicates, TSA was granted special personnel authority to grant temporary appointments to the TSES not exceeding three years, in order to directly recruit for specialized skills from the private sector. This temporary appointment authority was used mostly during the early, stand-up years of TSA from 2002 to 2004 for individuals on three year appointments. This authority is used much less today and only to recruit for more specialized TSES positions and candidates. While these positions are not always advertised, they comply in all respects with merit principles. It is important to note that candidates for temporary appointments go through a review process to ensure they possess the necessary qualifications to meet the requirements of the position. In addition, it is important to note that temporary appointments are made for a limited duration, and expected to end in resignation when the incumbent leaves TSA for their next professional opportunity. Temporary

appointees have not typically remained with TSA until the expiration of their terms, thus contributing to the attrition rate.

As GAO notes, TSA has implemented a rigorous process for executive resources management consistent with effective human capital management practices and standards for internal control. Included in these procedures is a review of all TSES selections by the TSA Executive Resources Council (ERC), a panel of TSA executives who must review and concur in selections to ensure their compliance with merit principles established in 2006. These policies and procedures provide significant assurances that TSES selections are made in accordance with merit principles and free from improper influence. These policies include the need for proper documentation of selection information.

While we agree with the need for proper documentation, TSA notes that GAO regarded records as deficient when there was not both a signed selecting official letter and a signed ERC recommendation, even when contemporaneous records existed. There is considerable documentation to support selections even if not always the exact documents sought by GAO.

Furthermore, our policies and procedures have been reviewed and accepted by the Office of Personnel Management, which has granted an Interchange Agreement with TSA. The Interchange Agreement recognizes TSA's commitment to merit staffing by accepting our selection processes, permitting non-competitive selection of TSA employees for civil service positions in other Departments.

GAO provided two recommendations to the draft report. TSA concurs with the recommendations and provides the following responses:

GAO Recommendation 1: "To address attrition among TSES staff and improve management of TSES resources, we recommend that the TSA Administrator take the following two actions:

Ensure that the National Exit Survey, or any other exit survey instrument TSA may adopt, can be used to distinguish between responses provided by TSES staff and other staff so that the agency can determine why TSES staff, in particular, are separating from TSA."

TSA's Response: TSA concurs with this recommendation. TSA has amended the National Exit Survey to include TSES as an option under Question 27, "What is your pay band?" The new version of the survey is already in use.

GAO Recommendation 2: "To address attrition among TSES staff and improve management of TSES resources, we recommend that the TSA Administrator require that TSA officials involved in the staffing process for TSES staff fully document how they applied each of the merit staffing principles required by its staffing process when evaluating, qualifying, and selecting individuals to fill career TSES positions."

TSA's Response: TSA concurs with this recommendation. TSA staff will ensure proper documentation of how merit staffing principles required by its staffing process are applied when evaluating, qualifying, and selecting individuals to fill career TSES positions. We have

**Appendix IV: Comments from the Department
of Homeland Security**

established a checklist for proper documentation, and go beyond the GAO recommendation by conducting an internal audit of TSES selection files on a quarterly basis.

We thank you for considering our comments on these very important issues. We look forward to working with the GAO on future Homeland Security issues.

Sincerely,


Gerald E. Levine
Director
Department GAO/OIG Liaison Office

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Stephen M. Lord, (202) 512-8777 or lords@gao.gov

Staff Acknowledgments

In addition to the contact named above, Kristy Brown (Assistant Director) and Mona Blake (Analyst-in-Charge) managed this assignment. Maria Soriano, Kim Perteet, and Janet Lee made significant contributions to the work. Gregory Wilmoth, Catherine Hurley, and Christine San assisted with design, methodology, and data analysis. Tom Lombardi and Jeff McDermott provided legal support. Adam Vogt provided assistance with report preparation.

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