Order Code RL32670

CRS Report for Congress
Received through the CRS Web

Guarding America: Security Guards and U.S. Critical Infrastructure Protection

November 12, 2004

Paul W. Parfomak
Specialist in Science and Technology
Resources, Science, and Industry Division

Guarding America: Security Guards and U.S. Critical Infrastructure Protection

Summary

The Bush Administration's 2003 *National Strategy for the Physical Protection of Critical Infrastructures and Key Assets* indicates that security guards are "an important source of protection for critical facilities." In 2003, approximately one million security guards (including airport screeners) were employed in the United States. Of these guards, analysis indicates that up to 5% protected what have been defined as "critical" infrastructure and assets.

The effectiveness of critical infrastructure guards in countering a terrorist attack depends on the number of guards on duty, their qualifications, pay and training. Security guard employment may have increased in certain critical infrastructure sectors since September 11, 2001, although overall employment of U.S. security guards has declined in the last five years. Contract guard salaries averaged $19,400 per year in 2003, less than half of the average salary for police and well below the average U.S. salary for all occupations. There are no U.S. federal requirements for training of critical infrastructure guards other than airport screeners and nuclear guards. Twenty-two states do require basic training for licensed security guards, but few specifically require counter-terrorism training. State regulations regarding criminal background checks for security guards vary. Sixteen states have no background check regulations.

The federal government's role in protecting U.S. critical infrastructure has been a concern of Congress since 9/11. Part of this concern involves the possible imposition of federal security requirements, including guard requirements, on infrastructure which is largely private. In the 108th Congress, a number of bills were introduced that would facilitate employer access to FBI criminal records to conduct background checks of security guard employees. One bill (H.R. 4022) would *require* private security guard companies to perform criminal background checks, and would prohibit the hiring of guards who failed them. Another bill would direct the Department of Homeland Security (DHS) to conduct security guard emergency training, including training for "acts of terrorism." The DHS currently does not have counter-terrorism training programs specifically for private security guards.

There appears to be no federal or state policy that explicitly addresses critical infrastructure guards as a distinctive group. If homeland security policy evolves towards special treatment of critical infrastructure guards, responsible agencies may face a challenge identifying those guards because of uncertainties in identifying critical assets. Federal counter-terrorism funding for critical infrastructure guards may also present a policy challenge, since 87% of these guards are in the private sector. It is an open question whether private operators of critical infrastructure have hired, trained, and otherwise supported security guards to the degree warranted by the social value of the facilities they protect. As Congress continues its oversight of homeland security, funding for private guards may emerge as a security consideration where public benefits and private resources may not align.

This report will not be updated.

Contents

List of Figures

List of Tables

Table 1: 2003 Total U.S. Security Guard Employment 6

Guarding America: Security Guards and U.S. Critical Infrastructure Protection

Introduction

On August 1, 2004, the Department of Homeland Security (DHS) issued a terrorism alert for critical financial institutions in New York, Washington, DC and Newark, NJ. Press reports indicated that these institutions employed security guards, and that surveillance by terrorists included the location, armament, and activity of those guards.[1] Widely deployed among transportation hubs, power plants, and other nationally important facilities, such security guards are viewed by many as both a vital element of terror deterrence and the first line of response to terrorist attacks. The Bush Administration shares this view. In the *National Strategy for the Physical Protection of Critical Infrastructures and Key Assets* the administration identifies security guards as "an important source of protection for critical facilities."[2] The nation's dependence on security guards for critical infrastructure protection gives rise to questions as to the status and capability of these guards, and federal efforts to help them combat terrorism.

In 2003, there were approximately one million security guards (including airport screeners) employed in the United States — compared to 650,000 U.S. police officers.[3] Nearly half of these guards were employed directly by the institutions they served; the rest, approximately 53% of all guards, worked for contract guard companies providing outsourced guard services.

This report provides background information concerning security guards in the United States and their role in critical infrastructure protection. It analyzes trends in the number and deployment of security guards, including effects of the terror attacks

---

[1] Eggen, D. and Mintz, J. "Washington and N.Y. Put on Alert." *Washington Post*. August 2, 2004. P. A1.

[2] Office of the President. *The National Strategy for the Physical Protection of Critical Infrastructure and Key Assets*. Feb. 2003. p29.

[3] Bureau of Labor Statistics (BLS). "National employment and wage data from the Occupational Employment Statistics survey by occupation, May 2003." Table 1. and U.S. Census Bureau. *Statistics of U.S. Businesses: 2001*. "Armored car services." Note that the BLS definition of "security guards" includes approximately 32,000 armored transport guards and excludes private investigation, private corrections, airport screening, and gaming surveillance workers. "Police" includes bailiffs, fish and game wardens, parking enforcement workers, police and sheriff's patrol officers, and transit and railroad police. There were also approximately 48,000 airport screeners employed in Oct., 2003. See Miller, Leslie. "Airport Security Still Weak in Areas Terrorists Likely to Exploit, Federal Official Tells Lawmakers." Associated Press. Oct. 17, 2003.

of September 11, 2001 (9/11). It discusses the wages paid to security guards compared to similar workers, and the relationship between pay and workforce effectiveness. The report reviews the qualifications and training of security guards, including background checks, highlighting recent changes related to counter terrorism and state-to-state differences in qualification requirements. Finally the report discusses policy considerations of potential interest to Congress.

Issues Facing Congress

The role of the federal government in protecting the nation's critical infrastructure has been a fundamental concern of Congress since 9/11. Part of this concern involves the potential imposition of federal security requirements, including guard requirements, on infrastructure which lies largely in the private sector. Among nuclear power plants, for example, the federal government has required more training and staffing of private guards since 9/11. Airport screeners have been federalized outright. As U.S. homeland security policy evolves, direct federal intervention in the protection of other critical infrastructure, including chemical plants, banks, and communications networks, is becoming an increasingly important issue.

Critical infrastructure is found in many congressional districts. By definition, a terrorist attack on such infrastructure would affect not only local communities, but the nation as a whole. Faced with the widely perceived need for greater critical infrastructure protection, some in Congress are examining the adequacy of current U.S. counter-terrorism activities, including the role and capabilities of security guards. If Congress concludes that the effectiveness of security guards could be enhanced, Congress may consider guard-related legislation (such as S. 2845 of the 108th Congress), or may exercise its oversight authority in other ways to influence security guard capabilities and deployment.

Background

What is "Critical Infrastructure"?

What U.S. policy makers consider to be "critical infrastructure" has been evolving and is often ambiguous. Twenty years ago, "infrastructure" was defined primarily with respect to the adequacy of the nation's public works. In the mid-1990's, however, the growing threat of international terrorism led policy makers to reconsider the definition of "infrastructure" in the context of homeland security. Successive federal government reports, laws, and executive orders have refined, and generally expanded, the number of infrastructure sectors and the types of assets considered to be "critical" for purposes of homeland security. Currently, the USA PATRIOT Act of 2001(P.L. 107-56) defines "critical infrastructure" as:

> systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters (Sec. 1016e).

This definition was adopted, by reference, in the Homeland Security Act of 2002 (P.L. 107-296, Sec. 2.4) establishing the Department of Homeland Security (DHS). The *National Strategy* also adopts the definition of "critical infrastructure" in P.L. 107-56, and provides the following list of specific infrastructure sectors (and assets) falling under that definition:

— Information technology
— Telecommunications
— Chemicals
— Transportation systems
— Emergency services
— Postal and shipping services
— Agriculture and food
— Public health and healthcare
— Drinking water / water treatment
— Energy
— Banking and finance
— National monuments and icons
— Defense industrial base
— Key industry / technology sites
— Large gathering sites

The critical infrastructure sectors in the *National Strategy* contain many physical assets, but only a fraction of these could be viewed as critical according to the DHS definition. For example, out of 33,000 individual assets cataloged in DHS's "national asset database," the agency considers only 1,700, or 5%, to be nationally critical.[4] The 33,000 assets in the DHS database themselves constitute only a subset of all assets in the critical infrastructure sectors.[5] Because federal agencies, state agencies and the private sector often have different views of what constitutes criticality, compiling a consensus list of nationally critical assets has been an ongoing challenge for DHS. The implications of this challenge as it relates to security guards is discussed later in this report.

Security Guards and Critical Infrastructure Protection

Protecting people and property from accidents and crime is the principal role of security guards. They monitor, patrol, and inspect property to protect against fire, theft, vandalism, and other illegal activity. They may enforce laws on their employer's grounds, conduct incident interviews, prepare incident reports, and provide legal testimony. Guards may work at one location, or may patrol among multiple locations to conduct security checks. Security guards typically use radios and telephones to call for assistance from police, fire, or other emergency services as required. They may be armed, as required by specific duty assignments, consistent with state and federal laws governing private ownership and use of firearms.

---

[4] Liscouski, Robert, Asst. Sec., Infrastructure Protection, Dept. of Homeland Security, Testimony before the House Select Committee on Homeland Security; Infrastructure and Border Security Subcommittee. April 21, 2004. Note that DHS's list of 1,700 critical assets may not include the 430 U.S. commercial airports with passenger screeners, whose security is primarily administered by the Transportation Security Administration.

[5] For example, in the chemicals sector, DHS has identified 4,000 facilities as potentially critical out of 66,000 total U.S. chemical sites. See Liscouski, Robert, Asst. Sec. Infrastructure Security, Dept. of Homeland Security (DHS). Testimony before the House Committee on Government Reform, Subcommittee on National Security, Emerging Threats and International Relations. *Combating Terrorism: Chemical Plant Security.* Serial No. 108-156. Feb. 23, 2004. p13.

Although security guards, in general, share many common responsibilities, they may also face unique duties at particular institutions. In banks, for example, guards protect customers, money, safety deposit boxes, and records. They may work with bank detectives to prevent theft and apprehend criminal suspects before police arrive. By comparison, transportation terminal guards (e.g., airport screeners) protect travelers, freight, luggage, and equipment. They may screen passengers for weapons and explosives, ensure no property is stolen while being loaded or unloaded, and watch for fires and criminal activity.[6]

Security Guard Police Powers. Although security guards have long supplemented public law enforcement, they typically have more limited authorities than police and other law officers. Specific powers vary by jurisdiction, but they generally correspond to the police authorities of private citizens.

> In most states, citizens may make arrests only when a crime is committed in their presence; suspicion that a crime has taken place is not enough. And in some states, citizens may only make arrests for felonies, and then must immediately turn the suspect over to a police officer. Even those guards who do see felonies in progress are advised to arrest with caution. Unlike police officers, civilians who accidentally take innocent suspects into custody are liable for false arrest.[7]

Security guards may have other authorities or may face further limitations to their police power according to state licensing or other regulation, where it exists. For example, the following authorities are listed in California's security guard training manual:

- As an agent of the employer, a security guard can question an individual on the employer's property and may prevent entry to the property by standing in the individual's way.
- Although a security guard has the power of citizen's arrest, a guard is not obligated by law to make arrests.
- A security guard should never touch a criminal suspect except for self defense, or when necessary to use reasonable force in an arrest.
- If a security guard believes an arrested person is armed, the guard may search for weapons only. A suspect may not be legally searched for weapons unless he is actually arrested.
- A security guard cannot legally carry a firearm or baton without a state permit and a valid security guard license.[8]

---

[6] BLS. *Occupational Outlook Handbook 2004-05 Edition*. "Security Guards and Gaming Surveillance Officers." [http://bls.gov/oco/ocos159.htm]. Visited July 21, 2004.

[7] Carlson, T. "Safety Inc.: Private Cops Are There When You Need Them." *Policy Review*. No. 73. Summer 1995.

[8] State of California, Bureau of Security and Investigative Services (BSIS). "Power to Arrest (continued...)

Critical Infrastructure Protection Responsibilities. Since the terror attacks of 9/11, protecting against terrorism has been an additional responsibility for many security guards — especially for guards associated with critical infrastructure. Security guards are viewed by many as a necessary supplement to the counter terrorism activities of public law enforcement agencies, which have limited resources and broad responsibilities. According to congressional testimony by one guard company executive,

> Law enforcement agencies [have] been called upon to fulfill two fundamentally different and competing missions — to deter domestic crime while also being engaged in the fight against potentially new and devastating terrorist attacks orchestrated from abroad. Unfortunately, there are simply neither the public resources nor the personnel to do the job.... Consequently ... security officers are being asked to fill the gap.[9]

The increased counter terrorism role for security guards has become apparent in many private and public sector security plans. In the refinery industry, for example, security guidelines during a DHS "orange" alert call for engaging a "trained and knowledgeable" security workforce, increasing patrols, inspecting vehicles, and other security activities that may rely on security guards.[10] Counter terrorism activities of security guards in other key sectors are discussed later in this report.

Guards Deployed at Critical Infrastructure. According to the Bureau of Labor Statistics (BLS) there were approximately 1,022,000 security guards working in the United States in 2003 (**Table 1**). For the purposes of policy analysis, these guards may be separated into two categories of employment and three categories of service. "Contract" guards work directly for private guard companies and are deployed under contract to other institutions. "Staff" guards are employed directly by institutions as regular line employees. Both contract and staff guards may work either at private facilities, government facilities, or airports. (Guard forces at airports are mostly "airport screeners," whose duties and employment characteristics warrant their distinction from other guards.) The approximate number of contract and staff guards working at all three types of institutions in 2003 is summarized in **Table 1**.

The BLS reports that over 14% of all security guards work part-time. The number of part-time employees is higher among contract guards than among staff guards. According to a 2002 survey of major contractors, 20% to 30% of contract

---

[8] (...continued)
Training Manual." West Sacramento, CA. Feb. 2002. pp6-8.

[9] Walker, Don W., Chairman, Securitas Security Services USA, Inc. Testimony before the House Judiciary Committee; Crime, Terrorism, and Homeland Security Subcommittee. Washington, DC. March 30, 2004.

[10] American Petroleum Institute (API). *Security Guidance for the Petroleum Industry*. 1st Edition. Washington, DC. March 2002. p21.

guards worked part-time.[11] A significant number of these part-time guards are off-duty police officers supplementing their incomes.[12]

Table 1: 2003 Total U.S. Security Guard Employment

	Private Facilities	Government Facilities	Airports (Screeners)	Total
Contract	531,000		2,000	533,000
Staff	351,000	85,000	53,000	489,000
Total	967,000		55,000	1,022,000

Source: CRS analysis of Bureau of Labor Statistics (BLS) and trade press data. See footnote.[13]

Critical Infrastructure Guards. How many security guards actually protect critical infrastructure? Only a rough estimate can be made. Although there is no source of data detailing the number of *contract* security guards serving specific industry and government sectors, the BLS does report such data for *staff* guards. By totaling 2002 BLS employment figures for the appropriate industries, CRS estimates that approximately 122,000 (28%) of staff guards (excluding airport screeners) worked in industries corresponding to the NSPP critical infrastructure sectors.[14] As noted above, however, critical assets typically comprise only a fraction of a sector's total assets. Assuming, for simplicity, that guards are found only among assets in DHS's national asset database, and that guards are uniformly distributed across those assets, it may be reasonable to estimate that, consistent with DHS's critical asset ratio, up to 5% of staff guards actually protect critical infrastructure. Further assuming that contract guard deployment reflects staff guard deployment, the total number of security guards protecting critical assets could be on the order of 50,000. Such a "critical" guard force would be comparable in size to the 55,000 Transportation Security Administration (TSA) and contract screeners working at the nation's commercial airports in 2003. Note that airport screeners are also considered to be critical infrastructure guards for purposes of this report.

---

[11] *Security Magazine.* "Security's Top Guarding Companies." January, 2004.

[12] BLS. *Occupational Outlook Handbook 2004-05 Edition*. "Security Guards and Gaming Surveillance Officers." 2004.

[13] Employment data derived from: Bureau of Labor Statistics (BLS). *Occupational Employment and Wages, May 2003.* Table 33 — 9032. "Security guards." [http://www.bls.gov/oes/2003/may/oes339032.htm.]; BLS. *Total Employment by Occupation and Industry, 2002 and Projected 2012.* Table 33-9032. "Security guards." 2003.ftp://ftp.bls.gov/pub/special.requests/ep/ind-occ.matrix/occ_pdf/occ339032.pdf; Trade press. Note: 2003 staff guard employment are based on the 2002 private/government guard ratio in the BLS *Total Employment* table.

[14] BLS. *Total Employment by Occupation and Industry, 2002 and Projected 2012.* Table 33-9032. "Security guards." 2003. This estimate includes "government" guards at the federal, state, and local level. "Government" is assumed to include "emergency services."

The Contract Guard Industry. **Table 1** shows that contract security guards accounted for approximately 53% of all guards working in the United States in 2003. As a business, contract guard services is one of the largest segments of the broader security industry in the United States; its revenues of approximately $11 billion accounted for 30% of total security industry revenues in 2003.[15] Contract guarding is a somewhat fragmented industry, however, with several large national companies and thousands of smaller regional and local companies.[16] **Table 2** summarizes 2003 operating statistics for the largest U.S. guard contractors. As **Table 2** shows, the four largest contractors account for 50% of industry revenues and 35% of contract employees. These four contract guard companies are profiled in **Appendix 1**. The top two contractors, Securitas U.S.A. and Wackenhut, are foreign-owned.

Table 2: U.S. Private Guard Contractor Key Operating Statistics 2003

Company (Parent)	Revenues ($ million)	Market Share (%)	Employees (1,000s)	Owner Country
Securitas U.S.A. (Securitas)	2,608	23.7	100	Sweden
Wackenhut (Group 4 Securicor)*	1,489	13.5	38	U.K.
Allied / Barton	900	8.2	36	U.S.
Akal Security*	500	4.5	8	U.S.
Guardsmark	465	4.2	18	U.S.
TransNational Security Grp.	386	4.0	15	U.S.
U.S. Security Associates	375	3.5	17	U.S.
Initial (Rentokil-Initial)*	293	3.4	14	U.K.
ABM Security Services	250	2.7	12	U.S.
Cognisa (Group 4 Securicor)	146	1.3	6	U.K.
Other Guard Contractors	3,610	32.8	258	U.S.
U.S. Total	**11,022**	**100.0**	**522**	—

* Statistics include North American guard operations outside the United States.
Sources: CRS Report RL32523, *The U.S. Contract Security Guard Industry: an Introduction to Services and Firms*, by Paul W. Parfomak. Financial reporting period may vary by company due to differing accounting practices.

Contract guards are widely deployed to protect critical infrastructure and key assets. Wackenhut, for example, provides guard services to 30 of the country's nuclear plants.[17] Akal Security provides guard services at U.S. Army bases and

---

[15] Freedonia Group, Inc. *Private Security Services*. Study # 1773. Marketing materials. Cleveland, OH. March, 2004. P.1. Guarding revenues adjusted by CRS to exclude corrections services based on reported revenues of major U.S. corrections contractors.

[16] U.S. Census Bureau. *Statistics of U.S. Businesses:2001*. "Security guards & patrol services." 2004.

[17] Snyder, J. "GAO Questions Nuclear Industry's Security Efforts." *The Hill*. Sept. 15, 2004.

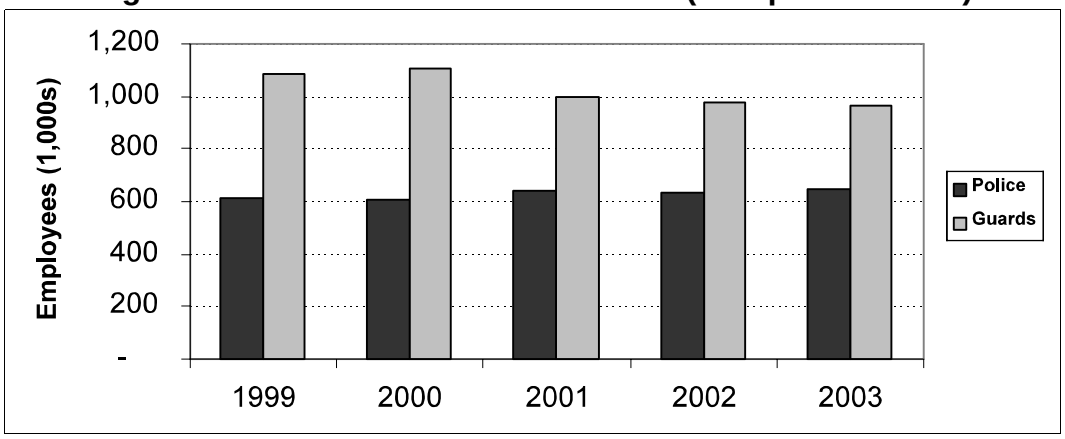
weapons depots.[18] The U.S. Federal Protective Service, which safeguards all federally owned and leased facilities nationwide, including certain critical facilities, employs 10,000 contract security guards.[19] Although there are several very large U.S. guard contractors, critical infrastructure guards are found in both large and small companies. For further information about the U.S. contract guard industry, see CRS Report RL32523, *The U.S. Contract Security Guard Industry: an Introduction to Services and Firms* by Paul W. Parfomak.

U.S. Security Guard Employment Trends

One basic measure of security guard activity is year-to-year change in employment. Analysis of the available data shows that overall employment of U.S. security guards (excluding airport screeners) has declined over the last five years, although guard employment has increased in certain infrastructure sectors.

Total U.S. Guard Employment Trends. Total U.S. police and security guard employment (excluding screeners) from 1999 to 2003 is shown in **Figure 1**. As the figure shows, the number of guards fell by approximately 124,000 (11%) between 1999 and 2003, while the number of police increased by approximately 34,000 (6%) during the same period.

Figure 1: Total U.S. Police and Guards (except Screeners)



Source: Bureau of Labor Statistics (BLS). National Occupational Employment and Wage Estimates (1999-2003). "Protective Service Occupations." Published annually, 2000-2004.

A decline in overall guarding jobs since 2001, notwithstanding the nation's heightened concerns about terrorism, would appear to contradict popular perceptions about U.S. guard deployment. Many analysts have assumed that private guard contractors, in particular, would see an increase in business as infrastructure owners stepped up guarding of their facilities under more protective security plans. One reason this increase may not have occurred is because private sector reactions to 9/11

---

[18] Akal Security. *Akal Security Newsline*. "Akal 'Scores High' with Army." Company newsletter. Spring 2004. p4. and Salem, N. March 11, 2004.

[19] Federal Protective Service (FPS). "Mission." Internet home page. Oct. 2, 2004. [http://www.ice.gov/graphics/fps/index.htm]

may have been short-lived. As one major guard contractor noted in a recent investor publication:

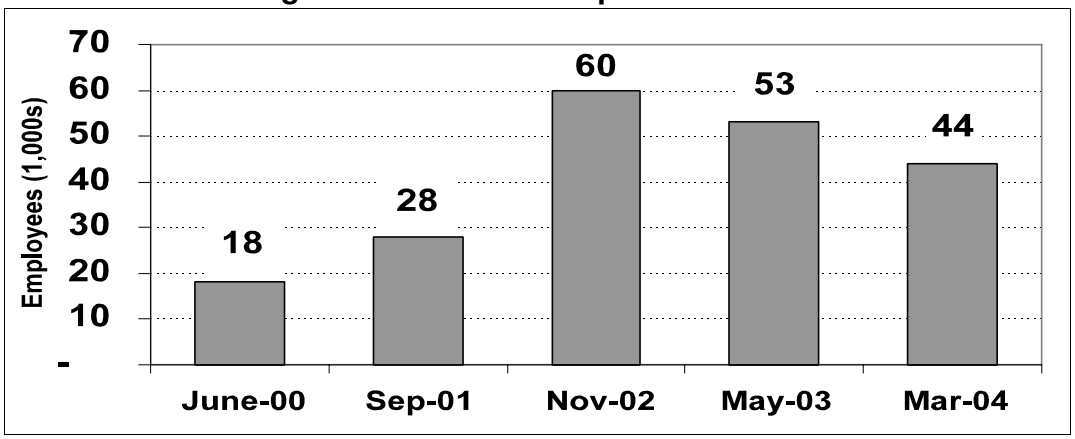
> "Following September 11, 2001, there was a sharp increase in demand for security, particularly in the USA . . . . Most of this additional demand has proved to be short-term. . . . Total market growth in 2003 was around zero percent."[20]

Others have suggested that, due to the U.S. economic recession which followed 9/11, many companies were forced to cut discretionary expenses, including security guard expenses, to maintain profitability.

Although the total number of U.S. guards appears to have declined over the last several years, it is not clear to what degree the number of guards at critical sites reflects this trend. It is possible that the deployment of critical infrastructure guards increased, but that these increases were offset by larger reductions in non-critical infrastructure guards. The following examples suggest that there are more critical infrastructure guards, at least in several infrastructure sectors.

Airport Screener Trends. The employment trend for airport screeners has differed from that of other guards. **Figure 2** shows total U.S. employment of airport screeners from 1999 to 2004. When airport screening was federalized after September 11, 2001, the number of screeners more than doubled to approximately 60,000 in November, 2003.[21] The TSA has subsequently reduced the screening work force to 44,000 workers, although this number of screeners is still 57% higher than in 2001.

Figure 2: Total U.S. Airport Screeners



Sources: General Accounting Office (GAO). *Aviation Security*. GAO/RCED-00-75. June 2000. p18; O'Rourke, L.M. "Air Safety Bill OK'd by House." *Sacramento Bee*. Nov. 2, 2001; Transportation Security Administration (TSA). Internal database. June, 2003 and April, 2004. Note: Because screener employment estimates are only available for specific months during the 1999-2004 period, annual averages may differ from these values.

---

[20] Securitas, Inc. "The Security Industry - The Security Market." Company Web page. [http://www.securitasgroup.com]. 2004.

[21] Note that approximately one-third of these 60,000 workers were employed specifically as baggage screeners (as opposed to passenger screeners) under a new requirement in the Aviation and Transportation Security Act (P.L. 107-71).

Nuclear Plant Guard Trends. Nuclear power plants have long been recognized as potential terrorist targets. Consequently, their security is regulated by the Nuclear Regulatory Commission (NRC). In response to the terror attacks of 9/11, and specific intelligence about potential attacks on U.S. nuclear facilities, the NRC has increased nuclear plant guard staffing requirements, along with other security requirements. As a result, the total number of guards deployed among the nation's 67 nuclear sites reportedly increased from 5,000 in 2001 to 8,000 in 2004.[22]

Guard Trends in Other Critical Sectors. There is little public information available on security guard employment trends *at the sector level* for infrastructures other than airports and nuclear plants. Anecdotal reports within sectors suggest some increase in guards at other potentially critical facilities. It may not be appropriate to generalize these anecdotes to all other critical facilities, nor is it clear whether these guard increases have been sustained. Nonetheless, the following examples do illustrate a range of guard deployment policies among critical infrastructure sectors since 9/11.

- Security costs at four downtown Los Angeles skyscrapers, including the U.S Bank Tower, reportedly increased 25% between 2001 and 2002, primarily due to additional guard expenses. Security at these buildings was budgeted "slightly" lower for 2003.[23]

- In a 2002 security review of 15 financial market organizations (including 7 "critical" ones), the GAO found increased deployment of security guards over pre-9/11 deployment. Some organizations used more guards for patrols, others for greater armed response, and one to initiate vehicle screening.[24]

- In 2003, the GAO found that seven chemical facilities visited by GAO staff had increased the number of security guards in response to chemical industry security guidance developed after 9/11. Nineteen other chemical facilities were unwilling to host GAO visits.[25] The GAO did not indicate if any of the facilities might be considered critical.

- The Los Angeles Department of Water & Power (LADWP), spent $7 million to "double" its city and ground-based security

---

[22] Hornaday, Bill W. "Union Questions Nuclear Security." *Arkansas Democrat-Gazette*. Sept. 11, 2004.

[23] King, Danny. "Security Loosens, Except Downtown — Commercial Property Owners in Los Angeles Relax Security Measures." *Los Angeles Business Journal*. Oct. 28, 2002.

[24] General Accounting Office (GAO). *POTENTIAL TERRORIST ATTACKS: Additional Actions Needed to Better Prepare Critical Financial Market Participants*. GAO-035-251. Feb. 2003. pp5,63.

[25] General Accounting Office (GAO). *HOMELAND SECURITY: Voluntary Initiatives Are Under Way at Chemical Facilities,but the Extent of Security Preparedness Is Unknown*. GAO-03-439. March, 2003. p26.

patrols in FY2001. This patrol budget decreased to $5 million in both FY2002 and FY2003, although the utility proposed increasing it again to $7 million for FY2004.[26]

- The American Petroleum Institute (API) has reported that, since 9/11, some oil pipeline operators, including operators of critical systems, have "used guard patrols at certain facilities under certain threat conditions."[27] The API does not report a baseline increase in guards among pipeline operators.

- The Jamestown-Surry (Virginia) ferry system hired 12-15 guards under a six-month contract for passenger and vehicle screening beginning July, 2004.[28]

The examples above indicate that the timing, level and duration of changes in guard employment may vary considerably within and across critical infrastructure sectors.

Policy Issues

In considering the role of security guards in U.S. critical infrastructure protection, policy analysts have focused on several key issues: staffing, pay, background checks, and training. A few additional policy issues, such as counter-terrorism support and contract guard cost-effectiveness, have also received some public attention.

Guard Staffing Levels

The relationship between the size of a guard force stationed at a critical facility, and its effect on facility security is the subject of debate. Many policy analysts assume that the security of a critical asset is proportional to the number of guards protecting it (i.e., more guards means better security). For example, in a 2002 campaign speech, one U.S. presidential candidate called for Congress to "require much better physical security for [chemical] plants, including more security guards."[29] President Bush's *National Strategy* likewise calls for "recruiting and

---

[26] Los Angeles Dept. of Water and Power (LADWP). "Mayor Hahn, LADWP Announce Increased Security Measures for LA's Water and Power System." Press release. March 20, 2003; LADWP. *Proposed Financial Plans and Budgets - Power and Water Revenue Funds (Draft)*. May 18, 2004. Note that LADWP's fiscal year ends June 30.

[27] American Petroleum Institute (API). "Security Planning and Preparedness in the Oil Pipeline Industry." Web page. Washington, DC. August, 2004. [http://api-ep.api.org/industry/index.cfm?objectid=4C891AEF-2FF9-456C-A96DBB05010D996A&method=display_body&er=1&bitmask=002007003000000000]

[28] Associated Press. "Random Checks to Begin on Jamestown-Scotland Ferries." June 30, 2004.

[29] Sen. John Edwards. "Agenda For Homeland Security." Speech at the Brookings (continued...)

training more skilled ... security personnel to protect our critical infrastructures."[30] Significant increases in the number of airport screeners and nuclear plant guards since 9/11 appear to be based, at least in part, on similar thinking.[31]

While in many cases it may be true that increasing guard numbers can make a facility more secure, in other cases the relationship between guard deployment and facility security may be less clear. In guarding, quantity does not necessarily ensure quality. Analysts have suggested several reasons why increasing the number of guards at a given facility might *not* make it more secure, or might even make it *less* secure.

- Guards can only meet "guardable" threats, such as physical intrusion or surveillance by potential terrorists. Any number of guards could not be expected to prevent attack by a commandeered airliner, or a remote cyber-attack on facility safety systems.

- If the nature of a terrorist attack is potentially "guardable," but guards are not trained to recognize it, additional guards may be no more likely to respond to it effectively than fewer guards.[32]

- If an increase in the number of guards at a facility is accomplished by making the existing force work more hours, the guards may become fatigued, disgruntled, and, consequently, less effective.[33]

- Increasing the size of a guard force may lead to confusion about individual responsibility and reporting relationships, which may reduce guard effectiveness.[34]

- Expanding a guard force may increase opportunities for hostile "insiders" to infiltrate that force.[35] Having a larger guard force, however, might make it more difficult for such an insider to successfully conduct hostile activities.

---

[29] (...continued)
Leadership Forum. Brookings Institution. Washington DC. Dec. 18, 2002.

[30] Office of the President. Feb. 2003. p28.

[31] Hiring of additional airport screeners was also driven by a desire to avoid excessive traveler screening delays while meeting tighter airport security requirements.

[32] Seifman, David. "Insecurity Guard Rips Training." *New York Post*. Oct. 27, 2004. p20.

[33] Bunn, Matthew. "Thinking about How Many Guards Will Do the Job." *Risk Analysis.* Vol. 24. No. 4. 2004. p949. See also: Horwitz, Sari. "Police Show Strain From Endless Alerts." *Washington Post*. Oct. 18, 2004. pA1. This article reports similar problems among police.

[34] Sagan, Scott D. "The Problem of Redundancy Problem: Why More Nuclear Security Forces May Produce Less Nuclear Security." *Risk Analysis.* Vol. 24. No. 4. 2004. p939.

[35] Sagan. 2004. p938.

Debate about the relationship between guard numbers and security suggests that enhancing critical facility security may not be as simple as posting more guards. As a practical matter, the effectiveness of guards in countering a terrorist attack also depends on the specific types of threats the guards may face, the training they receive, their organization, the conditions of their employment, and background checks. When these factors are taken into account at a given facility, analysts may conclude that increasing the size of its guard force may not significantly increase its security against terrorism, or that the facility operators might realize greater security benefits from additional training, better organization, or security technology investments.

Pay for Critical Guards

Policy analysts often assert that security guard employment pays too little and offers too few benefits to sustain a well-qualified pool of workers.[36] Pay advocates claim that the U.S. guard force could attract "better" workers, and consequently, could be more effective, if guards were better compensated. These claims have been directed especially at critical infrastructure guards. In its 2000 report on airport security, for example, the GAO linked "long-standing" problems with airport screener performance to "personnel factors" including low pay and associated high turnover.[37] The subsequent federalization of the nation's airport screeners included a pay increase of more than 100% from near minimum wages of $12,000 per year in 2000. These pay increases appear to have improved both employee quality and retention. Some policy analysts suggest that a similar reconsideration of guard pay might be warranted for other critical infrastructure guards.

Guard Salaries and Qualifications. Analysis of the available data demonstrates that security guards are relatively low paid workers. According to **Figure 2**, contract guard salaries averaged $19,400 per year in 2003, less than half of the average salary for police and well below the average U.S. salary for all occupations. Staff guards earned nearly 25% more than contract guards in 2003. Pay for both government and contract airport screeners in 2003 is estimated to have averaged over $28,700, nearly 50% higher than contract guards but still $16,000 less than police officers. There is no publicly available report on average pay for all nuclear plant guards, although one study in 2002 found that salaries among five specific nuclear plants started at $19,364 to $32,117, and ranged up to $40,393 after three years of employment.[38] Contract security guards who work full time often also receive benefits such as health insurance, paid leave, and retirement plans.

---

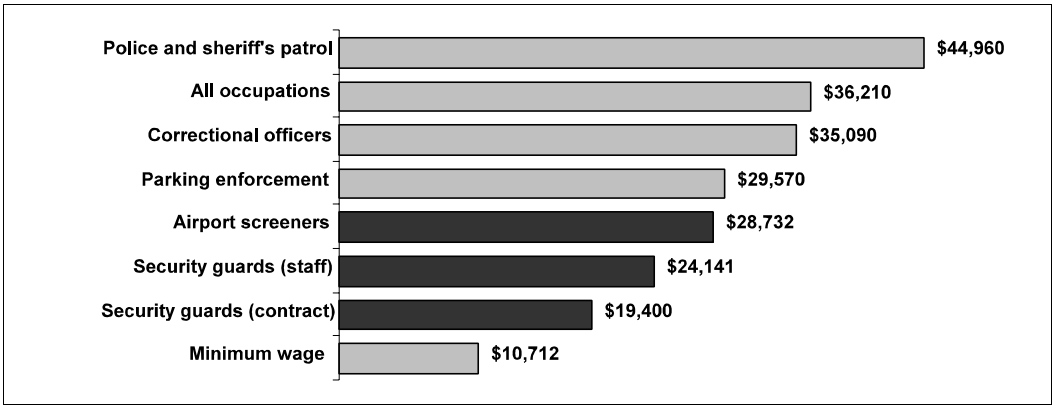
[36] Hon. Howard Coble. House Judiciary Committee; Subcommittee on Crime, Terrorism, and Homeland Security. Hearing on the Private Security Officer Employment Authorization Act of 2003 (S. 1743). March 30, 2004. p1. See also: Service Employees International Union (SEIU). "Building a Security Workforce for theNew Security Environment." Washington, DC. 2002. p3. This report that low pay for guards led to high turnover. SEIU found that 35% of security guards had been working as guards for less than one year.

[37] General Accounting Office (GAO). *Aviation Security*. GAO/RCED-00-75. June 2000. p19.

[38] Project on Government Oversight (POGO). *Nuclear Power Plant Security: Voices from Inside the Fences*. Washington, DC. Sept.12, 2002. Appendix X.

Low pay for guard employment reflects the minimal qualifications required by guard employers. According to the BLS, many contract guard companies have no specific educational requirements, although they prefer high school graduation or equivalent certification for armed employees. Armed guards must be licensed by appropriate government authorities and may receive special police certification allowing them to make some types of arrests.

Figure 3: Average Annual Salaries for U.S. Occupations, 2003



Sources: Bureau of Labor Statistics (BLS). *May 2003 National Occupational Employment and Wage Estimates*. "All Occupations" and "Protective Service Occupations." 2004; Screener data from: Magaw, John., Under Sec. of Transportation for Security. Statement before the House Appropriations Committee, Transportation Subcommittee. June 20, 2002. Note: 2002 screener pay is adjusted by 4.1% federal pay increase for 2003.

Higher Pay for Critical Infrastructure Guards? Airports and nuclear plants are nationally critical facilities, and are perceived to be at greater risk for terrorist attack than many other facilities. Consequently, airport and nuclear plants are deemed to require guards with better qualifications, experience, and counter-terror training than other guards. Given their presumed experience and skills, airline screeners and nuclear plant guards are paid more, on average, than other contract or staff guards.

It is possible that an informed assessment of security needs across all critical assets would demonstrate a need for more capable guards and associated higher salaries. In such a case, higher guard salaries would impose added security costs on the critical asset owners. For purposes of illustration, if 50,000 critical infrastructure guards had their salaries increased from the average contract guard salary ($19,400) to the average airport screener salary ($28,732), total annual guard costs would increase by $466 million. Imposition of such costs on guard employers, especially private guards contractors, might be met with resistance, however, since the provision of guard services is a highly cost-competitive business.

Background Checks

The potential for terrorists to infiltrate critical facilities by hiring on as security guards has long been a concern in specific critical infrastructure sectors. The NRC, for example, requires exhaustive background checks of nuclear plant guards under

the Atomic Energy Act (P.L. 83-703). The Federal Aviation Administration (FAA) began requiring "background investigations and criminal history checks" for airport screeners in 1998.[39] Since 9/11 heightened concern about terrorism has prompted some legislators to call for increased federal background screening of other security guards to help "determine whether or not employees ... pose a threat to the facilities and persons they are supposed to protect."[40] Similarly, the Bush Administration's *National Strategy* states that "time-efficient, thorough and periodic background screening ... is an important tool for protecting against the 'insider threat.'"[41]

Congressional interest in federal background checks for security guards stems, in part, from inconsistent or incomplete screening requirements at the state level. According to a recent survey, 23 states (including the District of Columbia) have licensing requirements which authorize federal criminal background checks for contract security guards. An additional 12 states authorize only state criminal checks. The remaining 16 states had no background check regulations.[42] Even in states with authorizing regulations, however, federal background checks are not necessarily performed on all prospective guards. Consequently, as one legislator has stated, background checks of both State and Federal criminal history for private security guards "are the exception rather than the rule."[43]

In the 108th Congress, several bills would facilitate federal background checks of private security guard company employees (or job applicants) by facilitating employer access to Federal Bureau of Investigation (FBI) criminal records. H.R. 4022 would require private security guard companies to perform such criminal background checks, and would prohibit the hiring of guards who failed such checks (Sec. 5a). None of these bills, however, would apply to staff guards. H.R. 10 would provide employers with federal criminal history information for any employee where such an investigation "has been authorized by the State ... in order to ensure that a prospective employee is suitable for certain employment positions" (Sec. 2142). Under H.R. 10, federal backgrounds checks could presumably be made available for both contract and staff security, if authorized under state law.

Criminal Backgrounds and Terrorism. From the standpoint of crime prevention and employee reliability, many analysts have argued that screening guards specifically for criminal history is only prudent. It might be unwise, for example, to hire convicted bank robbers to guard banks. Furthermore, Al Qaeda and other terror groups have been known to recruit disgruntled U.S. citizens, such as alleged "dirty"

---

[39] Federal Aviation Administration (FAA). "FAA Expands Employment Background Checks to Airport Security Screeners." Press release. Sept. 25, 1998.

[40] Sen. Carl Levin. Remarks introducing the Private Security Officer Employment Authorization Act of 2003 (S. 769). *Congressional Record*. April 2, 2003. pS4707.

[41] Office of the President. Feb. 2003. p29.

[42] Service Employees International Union (SEIU). "Report Card on Security Standards." Web page. Oct. 12, 2004. [http://www.seiu.org/building/security/statesecuritygrades.cfm].

[43] Sen. Carl Levin. April 2, 2003. pS4707.

bomber Jose Padilla, from within the U.S. criminal justice system.[44] However, there is also evidence that sophisticated terror groups deliberately recruit operatives without criminal histories. The Irish Republican Army (IRA), for example, viewed new recruits with no criminal records as ideal to undertake missions which would be difficult for members known to security authorities.[45] United States officials cite similar recruiting preferences for terror groups like Al Qaeda.[46] It appears, therefore, that the direct relationship between criminal history and terrorism is debatable.

Background Check Limitations. Both U.S. and international experience suggest that federal criminal background checks may be valuable for weeding out *some* security guard job applicants with terrorist connections. However, the FBI cannot readily estimate how many prospective guards might fall into this category due to limitations in the federal criminal records database.[47] Moreover, federal background checks may not identify "clean operatives" specifically recruited for their lack of a criminal or terror record, so such checks may be only partially effective. Note that background checks for nuclear security guards extend beyond criminal offenses to "any ... circumstances which tend to show that the individual is not reliable or trustworthy, or ... may be subject to coercion, influence, or pressures ... to act contrary to the national interest" (10 CFR 10.2-10.11). Airport screeners likewise are reportedly subject to "an analysis to determine whether candidates present ... or may be associated with potential terrorist threats."[48] Even these higher standards, however, which are comparable to federal security clearance requirements, might not be effective against carefully selected terrorist operatives. Finally, if background screening laws apply only to state-licensed contract guards, hostile insiders may still find infiltration opportunities as unlicenced staff guards.

Federal criminal background checks may also be limited by incomplete state records. The GAO recently reported that, as of 2001, 11% of state criminal records had not been automated and made available nationally. The agency further found that automated information on the disposition of felony and other *arrests*, as opposed to *convictions*, is not always widely available.[49] FBI officials have stated that resource limitations among law enforcement agencies and state identification bureaus

---

[44] Senate Judiciary Committee, Subcommittee on Terrorism, Technology and Homeland Security. Hearing on Recruitment of Terrorists. Oct. 14, 2003.

[45] Walker, C. "IRA Recruiting University Students." *The Times*. London, England. Oct. 18, 1999. pA11. The IRA reportedly referred to such recruits as "white lillies."

[46] Meissner, Doris. Former Commissioner, U. S. Immigration and Naturalization Service (INS). Statement to the National Commission on Terrorist Attacks Upon The United States. Jan. 26, 2004. [http://www.9-11commission.gov/hearings/hearing7/witness_meissner.htm. Meissner] noted that the 9/11 hijackers were "clean operatives" without criminal records or known terrorist ties, specially chosen to avoid detection by U.S. immigration authorities

[47] Federal Bureau of Investigation (FBI). Legislative Affairs. Personal communication. Oct. 20, 2004. For example, the FBI database does not consistently define "terrorist" crimes.

[48] Strohm, Chris. "House Lawmakers Grill TSA Over Aviation Security." GOVEXEC.com. Oct. 28, 2003. [http://www.govexec.com/dailyfed/1003/102803c1.htm].

[49] General Accounting Office (GAO). *National Criminal History Improvement Program*. GAO-04-364. Feb. 27, 2004. p11. GAO notes that state record availability is improving.

limits their ability to conduct "thorough and timely" background checks for prospective employees.[50]

Given the potential relationship between criminal history and terrorist activity, federal criminal background checks are viewed by some as potentially important, but not insurmountable, hurdles to terrorist infiltration of critical facilities. Furthermore, as stricter criminal screening is imposed on critical infrastructure guards, terrorist groups may divert recruitment and collaboration away from convicted criminals in a greater effort to circumvent these screening requirements. Because federal criminal checks may only be partially effective, policy makers may need to draw on complementary measures, including guard supervision and access controls, to help reduce the terror threat should a terrorist insider penetrate a critical guard force.

Counter-Terrorism Training

Counter-terrorism training is an important part of the professional development of effective critical infrastructure guards. As the *National Strategy* states, "there is an urgent need for ongoing training of security personnel to sustain skill levels and to remain up-to-date on evolving terrorist weapons and tactics.[51] Since 9/11, counter-terrorist training has increased for law enforcement, broadly, and for airport screeners and nuclear guards. At this time, however, there are no U.S. federal requirements for training of other security guards. Twenty-two states do require basic training for licensed contract guards, but not for staff guards. Of the states with training requirements for security guards, few specifically require counter-terrorism training, and such training appears cursory.

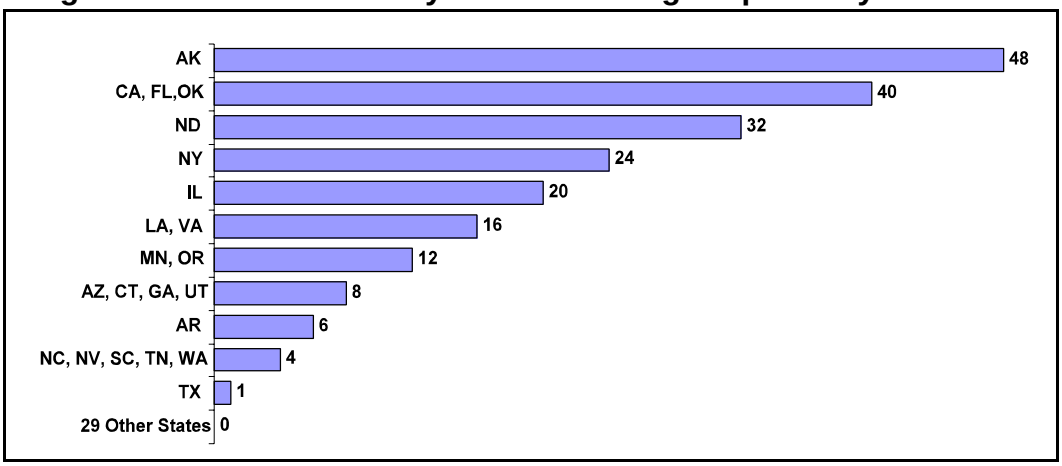
U.S. and European Guard Training Hours. Hours of training required is viewed by some as a key measure of guard capability. In states that require it, basic guard training consists of 1 to 48 hours of classroom or field instruction, in some cases followed by a qualification exam. Such training is typically limited to coverage of property rights, emergency procedures, and criminal detention. Training required in specific states is summarized in **Figure 4**. Additional weapons training is required for armed guards.

---

[50] Kirkpatrick, M. Asst. Dir., Federal Bureau of Investigation (FBI). Statement to the House Judiciary Committee, Subcommittee on Crime, Terrorism, and Homeland Security. Hearing on the Private Security Authorization Act of 2003. Serial No. 89. March 30, 2004. p5.

[51] Office of the President. Feb. 2003. p29.

Figure 4: Hours of Security Guard Training Required by State 2004

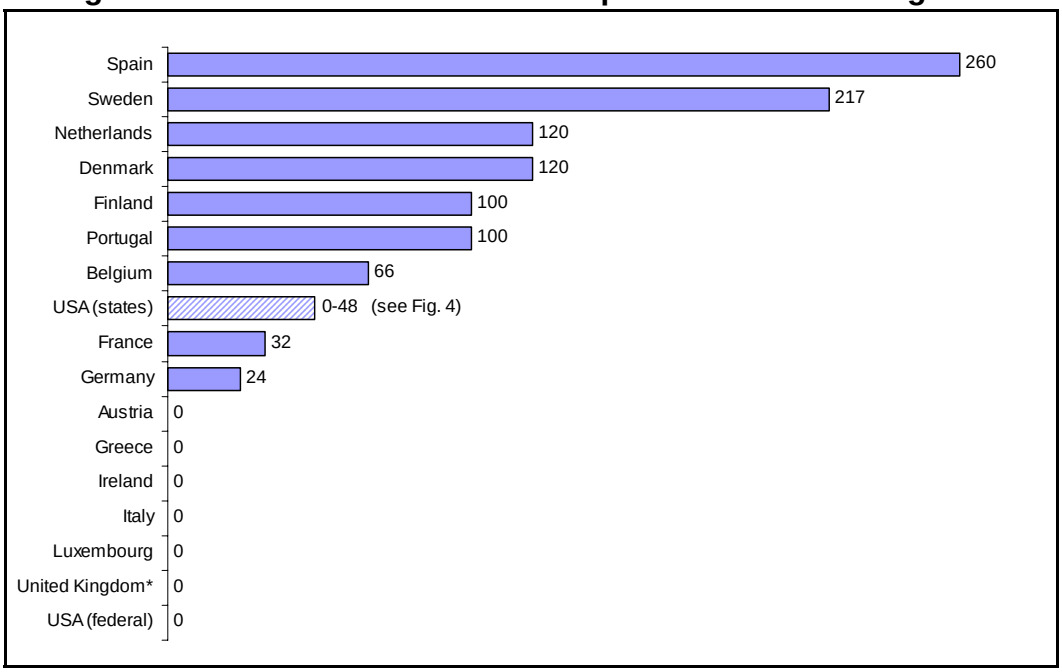


Source: Service Employees International Union (SEIU). "Report Card on Security Standards." Web page. Oct. 12, 2004. [http://www.seiu.org/building/security/statesecuritygrades.cfm].

For purposes of comparison, **Figure 5** provides data showing U.S. guard basic training requirements with those in the European Union (E.U.). As the figure shows, training requirements for security guards are also highly variable in the E.U., although several E.U. countries require more training than the greatest U.S. state requirements (**Figure 5**). Note that Spain, which has a long history of Basque separatist terrorism, has the highest training requirements in the E.U.. Information on guard training in other countries is less readily available, although there is at least one non-E.U. country (Hungary) that requires even more training for private security guards — 350 hours.[52]

[52] Rt. Hon. Bruce George. UK House of Commons Hansard Debates. March 28, 2001. Pt. 22.

Figure 5: Hours of U.S. and E.U. Required Guard Training 2002



Sources: Weber, T. "A Comparative Overview of Legislation Governing the Private Security Industry in the European Union." ECOTEC Research and Consulting. Birmingham, U.K. Nov. 4, 2002.
* In the U.K., mandatory training is planned by 2005 under the 2001 Private Security Industry Act.

Counter-terrorism Curricula. In the United States, required guard training traditionally has included basic coverage of: security responsibilities; police powers; relations with police; inspection and observation; report writing; legal responsibilities; liability; ethics; and professionalism.[53] Nuclear power plant guards are required to receive several months of special training in areas such as firearms, first aid, alarms, and electronic security systems.[54] Counter-terrorism makes up a significant part of nuclear guard training.

Although some states include counter-terrorism in their guard training curricula, time constraints typically allow them to cover the topic only at the most general level. For purposes of illustration, **Appendix 1** includes the entire "Terrorism" instruction section from California's mandatory initial 8-hour guard training manual. The section includes two pages of mostly definition. Although California requires an additional 32 hours of guard training for new guard employees, state law does not specifically require coverage of terrorism in this training.[55] Connecticut's 2004 guard

[53] State of California, Bureau of Security and Investigative Services (BSIS). "Power to Arrest Training Manual." West Sacramento, CA. Feb. 2002. pp2-3.

[54] BLS. *Occupational Outlook Handbook 2004-05 Edition*. "Security Guards and Gaming Surveillance Officers." 2004.

[55] State of California. Business and Professions Code. Section 7583.6.d

training law requires only a brief terrorism discussion — 90 minutes on "public safety" issues such as bomb threats and terrorist attacks.[56]

Perceived limitations in state-mandated security guard training have prompted some policy makers to specifically call for greater counter terrorism training requirements. For example, the mayor of Los Angeles recently ordered security guards at the Los Angeles Department of Water and Power (LADWP) to attend three antiterrorism seminars taught by the Los Angeles Police Department (LAPD). The seminars include topics such as terrorism awareness, surveillance detection, and vehicle-borne explosives detection.[57] According to the LAPD, this new utility guard training "is unique because it uses intelligence data on Al Qaeda tactics gleaned from detained terrorism suspects" and includes the showing of seized videotapes.[58]

DHS Guard Training. The DHS Information Analysis and Infrastructure Protection Directorate's Protective Security Division (PSD) does not currently have programs that specifically target private security guard companies. However, PSD has invited private security companies to participate in its Soft Target Awareness and Buffer Zone Protection training programs. PSD reports that 174 staff from 37 contract guard companies and other institutions took this training as of October, 2004. These training attendees appear to have been primarily guard managers or guard training supervisors. In the future, PSD plans to make three additional counter-terrorism training programs available to private security companies:

- Web-Based Workforce Antiterrorism Awareness/Prevention — a 2.5 hour self-paced program
- Surveillance Detection — a three day program including classroom and hands-on training delivered by mobile training teams
- Physical Security — a program involving both distance learning and five days of classroom and hands-on training at a DHS Regional Field Office, Protective Center or Training Facility[59]

The PSD did not provide projected schedules, budgets, or attendance for these programs.

Training Legislation. Some policy makers have called for security guard terrorism training legislation. In the District of Columbia, the proposed D.C. Enhanced Professional Security Amendment Act of 2003 would increase private

---

[56] Lowe, Zach. "On Guard: New Law Gears to Better Train Security Guards." *Delta Private Security Newsletter*. San Diego, CA. Oct. 15, 2004. p1.

[57] City News Service. "DWP Security." Los Angeles, CA. Oct. 13, 2004.

[58] McGreevy, Patrick. "DWP to Improve Training for Guards." *Los Angeles Times*. Oct. 13, 2004. pB3.

[59] Dept. of Homeland Security, Information Analysis and Infrastructure Protection Directorate, (IAIP) Protective Security Division (PSD). Washington, DC. Personal communication. Oct. 28, 2004.

guard training requirements, including terrorism training.[60] At the federal level, the Private Sector Preparedness Act of 2004 (H.R. 4830) would direct the Secretary of Homeland Security to develop and conduct "training programs for security guards to implement emergency preparedness and response plans and operations procedures" (Sec. 510b8). According to its lead sponsor, "emergencies" under H.R. 4830 is intended to include "acts of terrorism."[61] H.R. 4830 would apply to contract guards, but not to staff guards.

Opponents of expanded, government-mandated guard training standards question the potential effectiveness of such training requirements, especially if they do not distinguish among different guard assignments.

> Job responsibilities, levels of oversight, exposure to the public, and state-granted powers vary to such a degree that ... no specific minimal training requirements could meet the needs of some security officer assignments without substantially exceeding the level required for others.[62]

These concerns reflect real differences in facility security needs as determined by vulnerability assessments, threat information, and criticality evaluation. Given the variability of these factors across many kinds of infrastructure, different facilities may need security guards in substantially different capacities. Telecommunications centers, for example, may require guards primarily for access control, whereas sports stadiums may require guards for screening and crowd monitoring. Certain electric power facilities may require no guards at all, relying instead on remote surveillance and other means of physical protection. Because of these differences in facility guarding needs, some analysts argue that training policies for security guards may best be evaluated on a sector-by-sector, or even facility-by-facility, basis.

Opponents of federal training regulation may, instead, wish to rely on private companies voluntarily providing such training to their workers. There is little public information, however, on how many guard employers have been doing so. A 2002 survey of security guards in California found that, since 9/11, 60% of guard employers had issued new "procedures," 52% had conducted some kind of emergency drill, and 33% had conducted a bomb-threat drill.[63] A 2004 survey of 125 facilities storing hazardous chemicals found that, in the prior 12 months, 68% had provided emergency response training, 59% had conducted emergency response drills, and 38% had improved training and procedures "to prevent possible terrorist

---

[60] PR Newswire. "Security Officers Announce Support for D.C. Bill to Raise Industry Standards." Oct. 6, 2004.

[61] Hon. Jim Turner, Ranking Member. House Select Committee on Homeland Security. "Democrats Introduce Private Sector Preparedness Act." Press release. July 14, 2004.

[62] Fois, Andrew. Asst. Attorney General, Dept. of Justice. Comments to the House Judiciary Committee on H.R. 2092 found in House Report 104-827, Part 1. Sept. 24, 1996.

[63] Said, Carolyn. "Security Lapse: Private Guards Get Little Training and Low Pay, Study Says." *San Francisco Chronicle*. June 11, 2002.

attacks."[64] Securitas, the largest U.S. guard contractor provides "specialized training for ... guards for high-rise buildings, nuclear power plants and other so called high-risk objects."[65] Other major contractors do not publicly report changes to their employee training, although such training is increasingly available from a number of security firms and other institutions.[66]

Counter-Terror Training for Critical Guards. Given the importance of critical infrastructure protection in the nation's homeland security strategy, some analysts have suggested that critical infrastructure guards, specifically, should be encouraged by federal agencies to receive additional counter-terrorism training. The *National Strategy*, for example, directed DHS to "initiate a dialogue with state and local counterparts, private-sector infrastructure owners and operators, and private security firms concerning the creation of a training and certification regime for private security officers."[67] Likewise, a panel of drinking water experts convened by the GAO identified "specialized training of utility security staff" as one of the water system security enhancements "most deserving of federal support."[68] Nuclear power plant guards, for example, are required to receive several months of special training in areas such as firearms, first aid, alarms, and electronic security systems.[69]

One barrier to special critical guard training is cost. A 40-hour training course developed for office building security guards in Manhattan, for example, was projected to cost approximately $20 per hour, or $800 per guard.[70] If such training were required for 50,000 critical infrastructure guards, total costs would be $40 million. Assuming the same average hourly cost, training 50,000 guards to the 260-hour Spanish standard would cost $260 million. Increased training might also require higher salaries for critical infrastructure guards, as noted earlier in this report.

DHS Grants for Guard Training. The DHS FY2004 appropriations (P.L. 108-90) allocated $2.9 billion for first responders and urban security grants, administered through the Office for Domestic Preparedness (ODP). These grants are

---

[64] New Perspectives Consulting Group, Inc. *PACE International Union Survey: Workplace Incident Prevention and Response Since 9/11*. Durham, NC. Prepared for Paper, Allied-Industrial, Chemical and Energy Workers International Union. Oct. 2004. pp15,25. The survey did not distinguish security guard training from general employee training.

[65] Securitas Group. "People Make the Difference." Company website. Oct. 19, 2004. [http://www.securitasgroup.com/www/secgroup/secgroupwww.nsf/dummyview2/&lang=1].

[66] See, for example, the Maryland Fire and Rescue Institute's three-day course "Terrorism Preparedness for Business & Industrial Sites." Information available at [http://apps.mfri.org/cgi-bin/seminarflier.cgi?SchedID=2300]

[67] Office of the President. Feb. 2003. pp29-30.

[68] Government Accountability Office (GAO). *Drinking Water: Experts' View on How Federal Funding Can Best be Spent to Improve Security*. GAO-04-1098T. Sept. 30, 2004.

[69] BLS. *Occupational Outlook Handbook 2004-05 Edition*. "Security Guards and Gaming Surveillance Officers." 2004.

[70] Fredickson, Tom. "Security Guards Face Scrutiny." *Delta Private Security Newsletter*. San Diego, CA. Aug. 28, 2004. p1.

intended to assist state and local law enforcement, fire service, emergency medical service, emergency managers, and other first responders with terrorism preparedness. According to the ODP's program guidance for FY2004, grant funds may be used to establish counter-terrorism training programs and to cover "overtime and backfill costs" associated with employee attendance of such programs. ODP's guidance specifically includes "private security providers" in the target audience for these programs.[71] Although CRS is not aware of any specific DHS grants awarded for security guard training, it appears that such training programs may be eligible. ODP's guidance for training grants is not expected to change for FY2005.

Government Oversight of Staff Guards. State security guard training and other licensing requirements generally apply to prospective employees of "private security companies," i.e., contract guards, but not to staff guards. Proposed federal background screening legislation, likewise, is directed primarily at contract guards. According to **Table 1**, however, approximately 489,000, or 48% of all U.S. guards in 2003 were staff guards and so would not be subject to such oversight. Many of these staff guards may be subject to screening and training by their institutional employers, but these requirements would not necessarily be related to any government-defined standards.

As state and federal legislators consider greater training and other licencing requirements for contract guards, they may need to address potential disparities between standards for contract and staff guards. Contract and staff guards may protect the same types of critical facilities, so it could be argued that they should be subject to the same screening and capability requirements. This is the case, for example, in nuclear power plants, where both contract and staff guards are subject to the same NRC regulations. Contract and TSA airport screeners are likewise subject to the same background checks and training requirements.

Other Security Guard Issues

In addition to security guard deployment and overall qualification, several other guard issues have emerged in infrastructure security discussions. Full analysis of these issues is beyond the scope of this report, but they are mentioned briefly below for purposes of completeness.

Contract vs. Staff Guard Performance. TSA officials and other policy makers have begun to consider potential performance differences between contract guards and staff guards, or between private guards and government guards.[72] Such comparisons are not straightforward, however, and there appears to be little research available on this specific topic. A recent GAO study of airport screeners found, for example, that the post-9/11 TSA airport screening program "was not established in a way to enable an effective evaluation of the differences in the performance of

---

[71] Department of Homeland Security, Office of Domestic Preparedness (ODP). *FY2004 State Homeland Security Grant Program Guidance*. Washington, DC. Nov. 2003. p31.

[72] Government guards include TSA airport screeners and other guards employed directly by government agencies, such as federal staff guards in the GS-0085 "Security Guard" series.

federal and private screening and the reasons for those differences."[73] Additional information may be needed to shed light on this issue.

Civilian Guards at Military Bases. In the 2003 Defense Authorization Act (P.L. 107- 314), Congress authorized military bases to hire contract guards in place of military guards to meet new base security requirements (Sec. 332). Since that time, contract guards have been hired at numerous U.S. military installations including Andrews Air Force Base (MD), Fort Hood (TX), and the U.S. Military Academy (NY). While the hiring of civilian guards to replace soldiers at U.S. military bases raises some interesting issues related to guard training and cost-effectiveness, the deployment of such guards may have more to do with overseas U.S. troop demands than with critical infrastructure security *per se.*

Nuclear Plant Guard Capabilities. The training and effectiveness of nuclear guards regulated by the NRC has been questioned in the national media. Specifically, the press has reported alleged lapses in nuclear guard performance, questions about NRC security tests, and perceived conflicts of interest in future guard testing by a security contractor.[74] While potentially important, these issues appear unique to nuclear security and have been addressed in other policy forums.[75]

Foreign-Owned Guard Contractors. A provision in the Aviation and Transportation Security Act (P.L. 107-71) allows only U.S. owned and operated companies to provide contract screeners at U.S. airports, unless TSA cannot identify U.S. firms with sufficient capability to meet screening needs. This measure was presumably included in response to perceived inadequacies of airport screening contractors, several of which were foreign controlled, after the 9/11 attacks.[76] Some analysts have criticized the restrictions on foreign ownership since many foreign security firms are located in countries that are close allies in the war on terrorism and have extensive international experience in infrastructure security which could be valuable in U.S. critical infrastructure protection.[77] (Note that some U.S. critical infrastructure in the private sector is actually owned and operated by foreign firms; a ban on "foreign" contract guards at such facilities might be difficult to implement[78])

---

[73] General Accounting Office (GAO). *AVIATION SECURITY: Private Screening Contractors Have Little Flexibility to Implement Innovative Approaches*. GAO-04-505T. April 22, 2004. p1.

[74] Snyder, J. "GAO Questions Nuclear Industry's Security Efforts." *The Hill*. Sept. 15, 2004.

[75] See, for example: General Accounting Office (GAO). *NUCLEAR REGULATORY COMMISSION: Oversight of Security at Commercial Nuclear Power Plants Needs to Be Strengthened*. GAO-03-752. Sept. 2003. Also: Wald, Matthew. "Review of Nuclear Plant Security Is Faulted." *New York Times*. Sept. 14, 2004.

[76] "...As Move Sparks Hill Debate Over Federalizing Security." *Congress Daily*, Aug. 8, 2003.

[77] Poole, Robert W. Jr. *Improving Airport Passenger Screening*. Policy Study 298. Reason Foundation. Reason Public Policy Institute. Los Angeles, CA. Sept. 2002. p12.

[78] For example, key parts of the U.S. high-voltage electric transmission network are owned by the foreign companies National Grid (U.K.), Scottish Power (U.K.) and E.On (Germany).

To date, there has been little call for similar restrictions on guard contractors already serving other U.S. critical infrastructure.[79]

Counter-terrorism Support. Some analysts question whether or not critical infrastructure guards would benefit from more equipment, technology, or other resources in performing counter-terrorism functions. For example, advanced communications links directly to DHS information centers and local police could improve guards' ability to learn of imminent terrorist threats and could facilitate incident response. Identification and evaluation of such guard needs is an open issue.

Conclusions

This report addresses critical infrastructure guards as a distinctive group, but CRS is aware of no federal or state policy that explicitly makes a similar distinction. On the contrary, federal criminal background legislation and state licensing regulations appear to apply uniformly to all guards under their jurisdiction, without consideration of differing guard assignments. As noted in this report, uniform requirements for all one million U.S. guards may be excessive for some and insufficient for others. Questions remain, however, about what is the appropriate role of the federal government with respect to security guards, especially private guards, protecting critical infrastructure. While there appears to have been relatively little congressional debate on this subject, it may become increasingly important as homeland security strategy evolves and the distinctive security requirements of U.S. critical infrastructure become better understood.

If homeland security policy does evolve towards special treatment of critical infrastructure guards, responsible agencies may face a challenge in identifying those guards because of uncertainties in identifying critical assets. In April, 2004, the DHS Information Analysis and Infrastructure Protection Directorate (IAIP) reported that it had compiled the list of 1,700 critical U.S. assets referred to earlier in ths report, but confusion among private sector and state government partners about what constituted a critical asset cast doubt on the validity of that list.[80] Among electric utilities, for example, there was some question as to why certain assets were considered critical by IAIP, since some of those assets were not in use and others did not support significant electric loads.[81] According to press accounts, subsequent classified briefings with members of Congress to review lists of critical assets in their

---

[79] Swedish-based Securitas, for example, provides guards to major U.S. oil refineries. United Kingdom-based Group 4 Securicor is the parent of Wackenhut, which provides guards to many U.S. nuclear plants. Wackenhut also provided airport screening services before 9/11.

[80] These 1,700 assets, considered to be "nationally" critical by IAIP, were derived from a database of 33,000 assets considered regionally or locally critical compiled from submissions by state agencies and other infrastructure security partners.

[81] Personal communication with industry official, September 29, 2003.

states have continued to raise concerns about IAIP's critical asset identification.[82] Without clarity about which assets are critical, policies directed at critical infrastructure guards may be difficult to implement.

Counter-terrorism funding for critical infrastructure guards may also present a policy challenge because the overwhelming majority of these guards appear to be in the private sector. The DHS Assistant Secretary for Infrastructure Protection recently stated that the department "will not provide money to the private sector to remediate vulnerabilities."[83] But as **Table 1** shows, approximately 87% of all U.S. security guards in 2003 were employed either by a private guard company or directly by a private institution. As one Member of Congress recently remarked, "private security workers play a vital role ... protecting critical infrastructure, both public and private, from threat of terrorism."[84] Even critical government facilities such as national laboratories, military bases, and courthouses, often rely upon private security guards for counter-terror protection.

If the private sector could be relied upon to make socially warranted counter-terrorism investments in guards and training, federal funding for guards might not be an issue. However, as some analysts have suggested, there are economic reasons why private companies may not make such investments.

> In homeland security, private markets do not automatically produce the best result. To be sure, private firms have some incentive to avoid the direct financial losses associated with a terrorist attack on their facilities or operations. In general, however, that incentive is not compelling enough to encourage the appropriate level of security.[85]

It is an open question whether private operators of critical infrastructure have hired, trained, and otherwise supported security guards to the degree warranted by the social value of the facilities they protect. At this time, there does not appear to be sufficient information to make such judgments. Furthermore, the overall balance between public and private funding of homeland security is an expansive topic beyond the scope of this report. Nonetheless, as Congress continues its oversight of homeland security, funding for private guards may emerge as a security consideration where public benefits and private resources may not align.

---

[82] Starks, T., and Andersen, M.E. "Congress, Industry Both in Dismay Over Homeland Security's Performance on Critical Infrastructure." *CQ Homeland Security*. July 29, 2004.

[83] Liscouski, Robert, Asst. Secretary for Infrastructure Protection, Dept. of Homeland Security. Remarks to the U.S. Chamber of Commerce, Homeland Security Business Forum. Washington, DC. Oct. 26, 2004.

[84] Hon. Robert C. Scott. House Judiciary Committee, Subcommittee on Crime, Terrorism, and Homeland Security. Hearing on the Private Security Authorization Act of 2003 (S. 1743). Serial No. 89. March 30, 2004. p2.

[85] Orszag, Peter R. "Homeland Security: The Problems with Providing Tax Incentives to Private Firms." Testimony before the House Committee on Small Business, Subcommittee on Rural Enterprise, Agriculture, and Technology. Washington, DC. July 21, 2004.

Appendix 1: California Mandatory Security Guard Training Materials — Terrorism Section

POWER TO ARREST TRAINING MANUAL

PART N

TERRORISM

WHAT IS TERRORISM?

Terrorism is the use of force or violence against persons or property in violation of the criminal laws of the Unites States for purposes of intimidation, coercion, or ransom. Terrorists often use threats to create fear among the public, to try to convince citizens that their government is powerless in preventing terrorism, and to get immediate publicity for their causes.

TYPES OF TERRORISM

All acts of terrorism are crimes. The Federal Bureau of Investigation (FBI) categorizes terrorism in the United States as one of two types - domestic terrorism or international terrorism.

Domestic Terrorism involves groups or individuals whose terrorist activities are directed at elements of our government or population without foreign direction.

International Terrorism involves groups or individuals whose terrorist activities are foreign based and/or directed by countries or groups outside the United States or whose activities transcend national boundaries.

NATURE AND CHARACTERISTICS OF TERRORISM

Terrorists look for visible targets where they can avoid detection before or after an attack such as international airports, large cities, major international events, resorts, and high-profile landmarks. Terrorist actions are well planned and are usually executed without any deviation to their plan. It is also theatrical, creating specific reactions from the audience (population). The terrorist will always stage and even rehearse their plan at least three times before perpetrating their actual attack. Terrorism is directed against governments, businesses, communities, and individuals. It may be perpetrated for the retaliation of perceived injustices to cause confrontation between parties; improve a bargaining position; or to demonstrate strength, commitment, and resolve.

Prior to a number of terrorist attacks, the perpetrators have been observed by security personnel and even recorded on surveillance cameras. However, since terrorists didn't enter the facility or building, in each case security chose to ignore them. Some terrorists

(Revised 02/02)

61

Source: State of California, Bureau of Security and Investigative Services (BSIS). “Power to Arrest Training Manual.” West Sacramento, CA. Feb. 2002. pp2-3.

PART N (contd.)

have been observed taking photographs and making sketches of the site, yet security personnel hadn't felt it important to stop or question them. Some terrorist devices such as vehicles containing explosive devices had even been cited for parking in a "No Parking Zone" yet they had not investigated or determined its ownership. Remember, a terrorist will not usually attack unless they believe that their operation will be 100% successful.

Terrorists want media coverage to ensure that many people know about their activities. Some will even telephone the media just prior to, or even from their target, after they have taken control. That is why they select high-visibility targets and attempt to do maximum damage. They want a "High Body Count." Terrorists hope that attention will increase the public's fear, cause a planned government reaction, or attract sympathy to their cause.

While you cannot prevent deranged individuals and fanatics from plotting against their targets, the security guard can minimize the terrorists' efforts with solid preparation and by just doing the job they have been paid to do. Whether a threat or an actual attack, it is the security guard who is on the front line. They are usually the first to arrive at the scene; to size up (observe) the situation; the first to request (report) the necessary emergency response; the first to take control of the situation; the first to administer first aid until the emergency agencies arrive; and the first to advise the responding agencies of the specific details of the situation.

COUNTER TERRORIST TECHNIQUES OF PHYSICAL SECURITY

- Deter - Deterring terrorists activity by the hardening of the target, so that the terrorist does not have a 100% chance of success. They include the following: checking identifications, packages, and vehicles before they enter a secured area, making patrols or routes of travel unpredictable, and maintaining confidentiality.
- Delay - The use of barriers, locks, a response force, and the controlling of vehicular access.
- Deny - Deny the terrorists the use of widespread panic and media leverage, which they attempt to exploit.
- Detect - Detection of terrorist activity can be accomplished through the analysis of threat intelligence. It can also occur by conducting entry searches, using detection equipment (x-ray, metal explosive), and closed circuit television.