

# Department of Homeland Security **Office of Inspector General**

## **U.S. Customs and Border Protection's Advanced Training Center Acquisition**





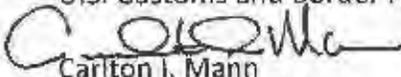
## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

February 28, 2014

MEMORANDUM FOR: The Honorable Thomas S. Winkowski  
Deputy Commissioner  
Performing the duties of the Commissioner of CBP  
U.S. Customs and Border Protection

FROM:   
Carlton I. Mann  
Chief Operating Officer

SUBJECT: *U.S. Customs and Border Protection's Advanced Training  
Center Acquisition*

Attached for your action is our final report, *U.S. Customs and Border Protection's Advanced Training Center Acquisition*. We incorporated the formal comments from U.S. Customs and Border Protection (CBP) in the final report.

The report contains three recommendations aimed at improving CBP's ability to oversee and manage the performance and accountability of its Economy Act service providers. Your office concurred with all three recommendations. Based on information provided in your response to the draft report, we consider the recommendations open and unresolved. As prescribed by the *Department of Homeland Security Directive 077-01, Follow-Up and Resolutions for Office of Inspector General Report Recommendations*, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation.

Please email a signed PDF copy of all responses and closeout requests to [OIGAuditsFollowup@oig.dhs.gov](mailto:OIGAuditsFollowup@oig.dhs.gov). Until your response is received and evaluated, the recommendations will be considered open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Mark Bell, Acting Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



## Table of Contents

Executive Summary .....	1
Background .....	2
Results of Audit .....	3
CBP Oversight of the Advanced Training Center Acquisition .....	3
Reimbursable Work Authorizations .....	8
Recommendations .....	10
Management Comments and OIG Analysis .....	11

## Appendixes

Appendix A: Objectives, Scope, and Methodology .....	17
Appendix B: Management Comments to the Draft Report .....	19
Appendix C: Advanced Training Center’s Phases and Development .....	26
Appendix D: Reimbursable Work Authorization Example .....	27
Appendix E: Major Contributors to This Report .....	28
Appendix F: Report Distribution .....	29

## Abbreviations

ATC	Advanced Training Center
CBP	U.S. Customs and Border Protection
DHS	Department of Homeland Security
FM&E	Facilities Management & Engineering Directorate
GSA	U.S. General Services Administration
IAA	Interagency Agreement
IGCE	Independent Government Cost Estimate
OIG	Office of Inspector General
RWA	Reimbursable Work Authorization
U.S.	United States
USACE	U.S. Army Corps of Engineers



## **Executive Summary**

U.S. Customs and Border Protection (CBP) is responsible for regulating and facilitating international trade, collecting import duties, and enforcing regulations, including those related to trade, customs, and immigration. CBP's Advanced Training Center in Harpers Ferry, West Virginia, provides advanced law enforcement training to CBP personnel. We performed this audit to determine whether CBP provided effective oversight and managed the fourth phase of the Advanced Training Center acquisition in accordance with Federal, departmental, and Component requirements.

CBP did not effectively oversee and manage the fourth phase of the Advanced Training Center acquisition. The \$55.7 million Interagency Agreement between CBP and its Economy Act service provider, the U.S. Army Corps of Engineers, was not developed and executed according to Federal, departmental, and Component requirements. Key documentation supporting an Interagency Agreement with the service provider was either missing or incomplete. CBP did not develop, review, or approve a required Independent Government Cost Estimate and Acquisition Plan prior to entering into the Interagency Agreement. CBP also approved millions of dollars worth of contract modifications to the Interagency Agreement without first ensuring the need and reasonableness of the modifications. As a result, CBP could not—

- Adequately justify its decision to use a service provider rather than in-house CBP personnel to manage the Advanced Training Center acquisition;
- Produce a plan for managing and overseeing the service provider's day-to-day performance; and
- Adequately justify millions of dollars worth of labor and construction funding.

CBP also used Reimbursable Work Authorizations, rather than the Advanced Training Center Interagency Agreement, to execute construction project agreements with its service provider, contrary to statutory, regulatory, departmental, and Component requirements. As a result, key controls governing the use of Interagency Agreements were bypassed, and Advanced Training Center construction funding was transferred to the U. S. Army Corps of Engineers without the review and approval of agency procurement officials. We also determined that CBP's use of Reimbursable Work Authorizations for construction projects and for other unauthorized purposes was a longstanding practice that extended beyond the Advanced Training Center acquisition.

CBP concurred with all three recommendations to enhance CBP's ability to oversee and manage the performance and accountability of its Economy Act service providers. Written comments to the draft report have been incorporated as appropriate and are included in appendix B.



## Background

In the Department of Homeland Security (DHS), CBP is responsible for protecting the nation's borders from terrorism, human and drug smuggling, illegal migration, and agricultural pests. CBP's mission also includes regulating and facilitating international trade, collecting import duties, and enforcing regulations, including those related to trade, customs, and immigration. Its mission is carried out at 329 ports-of-entry along nearly 7,000 miles of United States (U.S.) border.

The Advanced Training Center (ATC) at Harpers Ferry, West Virginia, is being constructed to provide CBP officers with the training they need to perform their mission. When completed, the ATC will include tactical, academic, residential, and supporting infrastructure.

CBP planned the design and construction of the ATC campus to be phased in over several years. The first through third phases of the project are complete. The fourth and fifth phases were merged into a fourth phase (Phase IV) to include a shower/locker room facility, contractor maintenance facility, dining facility, welcome and security center, and dormitory and conference center. Our review focused on CBP's execution of Phase IV of the acquisition. Appendix C contains a breakdown of buildings and supporting infrastructure for each phase of the ATC acquisition.

The *Economy Act of 1932*, as amended (Economy Act) authorizes Federal agencies to enter into agreements with other agencies to obtain goods and services once the requesting agency has determined that such agreements are needed and in the best interest of the Government. For the ATC acquisition, CBP entered into two Interagency Agreements (IAAs) with an Economy Act service provider, the U.S. Army Corps of Engineers (USACE), to oversee the construction of Phase IV of the ATC acquisition.<sup>1</sup> The first IAA (valued at \$1 million) was used to contractually secure USACE's assistance in evaluating the design of ATC facilities to be constructed during Phase IV of the ATC acquisition. The second IAA (valued at \$55.7 million) was used to contractually secure USACE's assistance in overseeing construction of all Phase IV facilities. USACE services included procurement, contract administration, project/construction management, and project expense reporting.

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<sup>1</sup> An IAA is a written agreement between a Federal agency or a component of a Federal agency and a government provider (service provider) used to acquire supplies or services, as authorized by statute. (DHS Directive 125-02, *Interagency Agreements*)



## Results of Audit

CBP did not effectively oversee and manage Phase IV of the ATC acquisition. The \$55.7 million IAA between CBP and its Economy Act service provider, USACE, was not developed and executed in accordance with Federal, departmental, and Component requirements. Specifically, required documentation to support the IAA was either missing or incomplete. CBP did not develop, review, or approve an Independent Government Cost Estimate (IGCE) or Acquisition Plan prior to entering into the IAA with USACE. CBP was also unable to provide documentation supporting its decision to approve modifications to the IAA. As a result, CBP could not—

- Adequately justify its decision to use an Economy Act service provider rather than in-house CBP personnel, including contractor staff, to manage the ATC acquisition;
- Produce a plan for managing and overseeing USACE's day-to-day performance; and
- Adequately justify millions of dollars worth of labor and construction funding.

CBP also used Reimbursable Work Authorizations (RWAs), rather than the ATC IAA, to transfer funds to USACE for construction projects, contrary to statutory, regulatory, departmental, and Component requirements. As a result, key controls governing the use of IAAs were bypassed, and ATC construction funding was obligated and transferred to USACE without the review and approval of agency procurement officials. Additionally, CBP used RWAs for construction projects and for other unauthorized purposes that extended beyond the Advanced Training Center acquisition.

### **CBP Oversight of the Advanced Training Center Acquisition**

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CBP did not adequately oversee the development and execution of the \$55.7 million IAA with USACE, the service provider responsible for managing Phase IV of the ATC acquisition. Key documentation that described its evaluation of service provider costs was not completed. CBP also did not develop an Acquisition Plan that specified the policies, processes, and internal controls it would use to oversee the day-to-day execution of the ATC acquisition. As a result, CBP was unable to oversee and manage the execution of the acquisition effectively. CBP procurement officials also approved millions of dollars worth of IAA contract modifications for labor cost increases and add-ons to the dormitory and conference center without the required supporting documentation.



## **Independent Government Cost Estimate**

Departmental regulations require an approved IGCE prior to entering into an IAA. IGCEs aid the Government in determining whether using Economy Act service providers rather than in-house resources, including contractor staff, to manage a given project is in the best interest of the Government. An IGCE developed for an Economy Act construction project typically includes a breakdown of projected service provider and in-house costs. For example, IGCEs for acquisitions include the following cost elements:

- Numbers and classifications of service provider employees and in-house employees required to complete the job;
- Wage rates for all classes of service provider and in-house employees;
- Service provider and agency direct and indirect costs; and
- A service provider fee schedule.

CBP is required to use the IGCE to help determine whether the use of a service provider in lieu of in-house CBP personnel is in the best interest of the Government.<sup>2</sup> At CBP, the Office of Administration is responsible for developing and approving the IGCE prior to IAA issuance.

CBP did not develop or approve an IGCE containing a breakdown of service provider and in-house costs prior to its issuance of the ATC IAA. As a result, CBP officials were unable to perform the required cost-price analysis of the two alternatives. They also could not demonstrate that their decision to use a service provider rather than in-house CBP personnel to manage the ATC acquisition was in the best interest of the Government. CBP officials could not explain why they did not use an IGCE to determine whether their decision to use a service provider was in the Government's best interest.

## **Acquisition Plan**

Federal and departmental regulations require that all projects exceeding \$10 million have an Acquisition Plan prior to contract issuance. For the ATC acquisition, the Acquisition Plan would have provided CBP management with a methodology to oversee and assess USACE's management of ATC construction

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<sup>2</sup> According to CBP Standard Operating Procedure *PD-2010-33, R1*, the IGCE is the basis for cost or price analysis of proposals, contract-related costs, budgeting, and the Contracting Officer's determination for price reasonableness.



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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on a day-to-day basis over the course of the IAA. Economy Act Acquisition Plans include the following oversight elements:

- The requesting agency's and service provider's roles and responsibilities;
- A project budget that includes estimates of all project funding requirements;
- A mutually agreed-upon project construction schedule with milestone dates;
- Service provider reporting and documentation requirements; and
- A process for arbitrating requesting agency and service provider cost, schedule, and performance issues.

Acquisition Plans also provide continuity when there is turnover in project management personnel. CBP's Office of Administration was responsible for developing, approving, and executing the ATC Acquisition Plan.

CBP did not develop and approve an Acquisition Plan to support its expenditure of \$55.7 million for Phase IV of the ATC acquisition. The absence of a detailed Acquisition Plan hindered CBP's ability to identify and address cost, schedule, and performance issues that arose early in the acquisition. Without mutually agreed-upon project milestones for each of the planned buildings, it was difficult for CBP to hold USACE and its contractors accountable for interim construction delays and cost increases associated with these delays. CBP officials said that they had been aware of the requirement to develop and approve an Acquisition Plan prior to IAA issuance, but could not explain why it had not been completed as required other than characterizing it as a lapse in oversight by CBP management.

None of the five buildings to be constructed under the ATC IAA was completed within planned cost, schedule, and performance requirements. Three of the five buildings were completed about 10 months after the target completion date, and as of July 30, 2013, none was being used for its intended purpose.<sup>3</sup> These delays resulted in increased labor costs, which contributed significantly to the \$2.5 million (16.2 percent) in project cost overruns. Construction of the fourth building (contractor maintenance facility) was cancelled because of agency funding constraints. Construction of the fifth and largest building (dormitory and conference center) was delayed for more than 3 years because of legal issues unrelated to CBP oversight. Table 1 shows a breakdown of Phase IV construction costs and timelines.

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<sup>3</sup> Shower and locker room facility, dining facility, and welcome/security center.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

**Table 1. ATC Construction Costs and Timelines**

Construction Costs*	Planned (millions)	Actual (millions)	% Change	Target Completion Date	Actual Completion Date
<ul style="list-style-type: none"> <li>• Shower/Locker Room</li> <li>• Dining Hall</li> <li>• Welcome/Security Center</li> </ul>	\$15.4	\$17.9	16.2%	January 2012	November 2012
<ul style="list-style-type: none"> <li>• Contractor Maintenance Facility**</li> </ul>	\$0.99	\$0.00	N/A	July 2013	Cancelled
<ul style="list-style-type: none"> <li>• Dormitory and Conference Center***</li> </ul>	\$33.4	TBD	N/A	July 2013	Postponed

Source: Office of Inspector General (OIG) analysis of ATC contract files

\*The ATC IAA did not require USACE to track costs on a building-by-building basis.

\*\*Building cancelled due to lack of funding.

\*\*\*Construction postponed because of legal issues associated with an ongoing contractor protest.

The original ATC IAA included a service provider fee of \$3.3 million for the construction of all five buildings valued at \$55.7 million, which is a rate of 5.9 percent. However, USACE charged CBP \$2.9 million in service provider fees for the construction of three buildings costing \$17.9 million. This resulted in a service provider fee rate of 16.2 percent, nearly three times greater than the original rate.

**IAA Contract Modifications**

According to the *Federal Acquisition Regulation*, Contracting Officers have authority to enter into, administer, or terminate contracts and make related determinations and findings. Further, according to departmental guidance, Contracting Officers are responsible for executing all IAAs and for ensuring that all IAA contract modifications are evaluated for need and reasonableness, to make certain that the modifications are in the best interest of the Government.

We identified \$15.2 million in IAA contract modifications, of which \$8 million (53 percent) was approved by CBP procurement officials without first ensuring the need and reasonableness of the modifications. For example, the ATC Contracting Officer<sup>4</sup> approved a \$3.2 million modification for contractor wage and salary increases absent a review and approval of supporting documentation. The Contracting Officer documented in the contract file that the need and reasonableness for the requested modifications could not be determined

<sup>4</sup> CBP Office of Administration Contracting Officer assigned to oversee the IAA between CBP and USACE.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

without more complete and accurate data, and that attempts to obtain the required information from CBP’s Facilities Management & Engineering Directorate (FM&E) were “met with resistance.” The Contracting Officer said that the modifications to the ATC IAA were approved to avoid any additional delays in the ATC acquisition.

CBP’s Contracting Officer approved two other IAA contract modification line items without the required supporting documentation. These approvals bypassed key internal controls intended to ensure transparency and accountability in the contract modification process. As a result, CBP could not determine whether the modifications were accurate, justified, and in the best interest of the Government. Table 2 lists the ATC contract modifications that did not have the required supporting data and documentation.

**Table 2. ATC Contract Modifications without the Required Supporting Data and Documentation**

<b>Contract Modification Amount (millions)</b>	<b>Purpose</b>
\$3.2	<i>Davis-Bacon Act</i> <sup>5</sup> -related wage increases
\$3.4	Dormitory and Conference Center add-ons
\$1.4	USACE project management services
<b>Total \$8.0</b>	

Source: OIG analysis of ATC contract files

The absence of an IGCE and an approved Acquisition Plan negatively affected CBP’s ability to evaluate the need for and oversee the day-to-day performance of the service provider. These discrepancies, coupled with CBP’s decision to approve IAA contract modifications without the required supporting documentation, increase the likelihood that the Component’s noncompliance with IAA requirements may be more widespread. To address these issues and improve the transparency and accountability of IAA agreements, CBP should implement policy, procedures, and controls to ensure future Component compliance with all IAA requirements.

<sup>5</sup> According to the *Davis-Bacon Act*, contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. *Davis-Bacon Act* requests must be accompanied by supporting documentation and justification.



## **Reimbursable Work Authorizations**

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CBP used RWAs, in lieu of the existing ATC IAA, to transfer funds for the ATC acquisition to USACE, contrary to statutory, regulatory, and agency requirements. Further, according to DHS OIG legal counsel, the RWAs were executed using U.S. General Services Administration (GSA) forms citing authority that did not apply to CBP. Because it used RWAs, CBP bypassed key internal controls governing the use of IAAs, and ATC Phase IV construction funding was improperly obligated and transferred to USACE. We also determined that CBP's use of RWAs for construction projects and for other unauthorized purposes extends beyond the ATC acquisition.

Regulatory, departmental, and Component guidance requires the use of IAAs for non-recurring Economy Act construction projects. Contracting Officers assigned to CBP's Procurement Directorate are the only individuals authorized to approve and amend IAAs. They are also the only individuals with the statutory authority (warrant authority) to obligate and transfer funding between CBP and its Economy Act service providers. These requirements are intended to ensure that all Economy Act agreements are properly authorized and in the best interest of the Government.

We identified three instances in which CBP used RWAs, rather than the ATC Phase IV IAA, to obligate and transfer construction funding to USACE. Specifically, the RWAs were developed and executed by officials in FM&E who did not have the requisite warrant authority. According to the ATC Contracting Officer, the decision to issue the RWAs was not vetted by CBP Procurement Directorate officials prior to issuance. According to DHS OIG legal counsel, the RWAs were also executed using GSA forms citing authority that did not apply to CBP. As a result, CBP bypassed key internal controls governing the use of IAAs, and \$10.48 million in ATC construction funding was improperly obligated and transferred from CBP to USACE. Appendix D contains a copy of the July 24, 2012, RWA approved by FM&E officials authorizing the transfer of funds to USACE for unspecified and undocumented project labor costs associated with ATC construction. Table 3 contains a list of RWAs that FM&E officials issued between May 21, 2012, and August 20, 2012. The ATC Contracting Officer said that he was unaware of the existence of the three RWAs prior to their issuance.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

**Table 3. RWAs for ATC Construction Issued by FM&E Officials between May 21, 2012, and August 20, 2012**

FM&E Source of RWA	RWA Issuance Date	Total Obligations (Millions)	Description
Mission Support Project Management Office	5/21/2012	\$0.08	USACE Labor
Mission Support Project Management Office	7/24/2012	\$4.88	USACE Labor
Border Patrol Facilities and Tactical Infrastructure Project Management Office	8/20/2012	\$5.52	ATC Construction Funds
	<b>Total</b>	<b>\$10.48</b>	

Source: OIG analysis of CBP's ATC contract files

We determined that CBP's use of RWAs to transfer construction funds between agencies is a longstanding practice that extends beyond the ATC acquisition. Like the ATC RWAs, these RWAs were issued by unauthorized individuals using GSA forms and authorities that did not apply to CBP.

We conducted a review of 166 Economy Act construction projects for which USACE was the service provider. These projects, which date back to April 5, 2007, used 514 RWAs valued at \$2.2 billion. All 514 RWAs identified involved unauthorized obligations and transfers of construction funding between CBP and its Economy Act service providers. The RWAs were issued by unauthorized individuals using GSA forms and authorities that did not apply to CBP. Further, 100 (19 percent) of the identified RWAs, valued at \$69.7 million, were issued following the January 18, 2012, issuance of CBP Directive 5320-028D. According to this directive, IAAs, signed by a Contracting Officer, are to be used for Economy Act construction projects.

We also determined that CBP has been using RWAs for other unauthorized and unsubstantiated purposes. Specifically, we identified instances in which RWAs were used to:

- Obligate and de-obligate agency construction funding;
- Modify Economy Act construction contracts;
- Authorize the purchase of equipment and furniture;
- Authorize the repair of CBP facilities and equipment; and
- Authorize and extend service provider agreements with USACE.

CBP officials acknowledged that the unauthorized use of RWAs for Economy Act



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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construction projects dates back to the 1990s. They attributed the use to a number of circumstances and conditions, including:

- Program officials' belief that using RWAs in lieu of IAAs for Economy Act construction projects was legitimate and permissible;
- The need to expedite execution of Economy Act construction projects;
- Inadequate guidance on the proper use of RWAs at the Department, Component, and office levels;
- The need to avoid construction delays caused by late payments to service providers and contractors; and
- Ineffective communications between CBP's Procurement Directorate and FM&E.

According to CBP, actions are being taken to ensure future compliance with all Economy Act requirements, including:

- Working with Component counsel to develop IAAs for all open, non-recurring Economy Act construction projects that used RWAs;
- Developing and implementing policies to ensure CBP uses RWAs only for GSA building-related services that cannot be readily separated from standard operating costs and uses IAAs for all other facility-related construction services;
- Filling a position for an internal auditor within FM&E; and
- Initiating monthly meetings between CBP's Procurement Directorate and FM&E.

When fully implemented, these actions should significantly improve the transparency and accountability of future non-recurring Economy Act construction projects.

### **Recommendations**

We recommend that the CBP Deputy Commissioner:

#### **Recommendation #1:**

Implement policies, procedures, and internal controls to increase management oversight and to ensure agency compliance with all statutory, regulatory, departmental, and Component requirements governing the development, review, execution, and use of Interagency Agreements.



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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#### **Recommendation #2:**

Develop and implement policies, processes, and internal controls to ensure CBP compliance with all statutory, regulatory, departmental, and Component requirements governing the development, review, execution, and use of Reimbursable Work Authorizations.

#### **Recommendation #3:**

Develop and implement a plan to bring all outstanding Economy Act Reimbursable Work Authorizations into compliance with all statutory, regulatory, departmental, and Component requirements. The plan should include a detailed description of the actions to be taken; timelines, milestones, and progress reporting requirements; the identity of entities responsible for implementation; and any short- and long-term funding requirements.

#### **Management Comments and OIG Analysis**

In its December 12, 2013 response to the draft report, CBP concurred with the report recommendations, which if implemented will enhance CBP's ability to oversee and manage the performance and accountability of its Economy Act service providers. CBP was unable to provide key documentation showing that its decision to enter into the IAA had been thoroughly analyzed, and that senior procurement officials reviewed and approved the results before entering into the agreement. Without such documentation, CBP was unable to demonstrate its May 2010 decision to use USACE rather than in-house personnel was in CBP's and the Government's best interest.

CBP also agreed with OIG that an IAA, rather than RWAs, was the appropriate method to use for assisted acquisitions under the Economy Act. Thus, CBP has agreed to develop and implement corrective action plans to use IAAs, rather than RWAs, to fund existing and future acquisitions under the Economy Act.

CBP concurred with all three of our recommendations, but took exception to OIG's finding that it did not adequately justify its decision to use an Economy Act service provider to manage the ATC acquisition. OIG maintains its position that CBP did not adequately oversee the development and execution of the IAA with USACE. Our responses to CBP's assertions follow:

CBP Comment: According to OIG's report, CBP did not "adequately justify its decision to use an Economy Act service provider rather than in-house CBP personnel, including contractor staff, to manage the ATC acquisition." CBP



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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disagrees with this statement. Based on the initial analysis performed in the course of awarding the IAAs for the ATC execution, as well as subsequent analysis performed when responsibility for internal oversight of the project was reassigned, CBP believes it adequately justified its decision to use an Economy Act provider.

OIG Response: The conclusions and recommendations included in the final report are the result of the analysis of information we obtained as of December 12, 2013. We stand by our assertion that the facts, findings, and recommendations contained in the report are accurate.

CBP Comment: During the course of the audit, OIG had access to the complete file for both ATC IAAs, which included the Determination and Findings and Analysis of Alternative documents completed in the course of IAA development, as required under the Economy Act. The documents provide evidence CBP completed an appropriate level of analysis in determining that using USACE was in the best interest of the Government. The contract file also contained documentation of senior level CBP procurement officials' awareness of the decision to support ATC construction requirements using USACE's services.

OIG Response: CBP's response does not mention that, contrary to statutory and regulatory requirements, an Acquisition Plan, Analysis of Alternatives, and the IGCE provided to OIG as evidence of due diligence were not signed and dated by senior CBP procurement officials or were incomplete. CBP's response acknowledges the ATC IAA file included contract documentation which reflected CBP procurement officials' awareness of the decision to support ATC construction requirements by the use of USACE services, which we determined to be incomplete. The fact CBP procurement officials did not resolve these discrepancies, supports our contention that CBP needs to increase the level and quality of management over the development, execution, and use of IAAs.

CBP Comment: In June 2012, FM&E conducted a second analysis to determine which type of construction execution would be appropriate for the ATC project. The Program Management Office considered the following options: (1) continue ATC execution by USCAE; (2) select an alternate Federal service provider; or (3) complete construction using CBP in-house resources.

On June 28, 2012, FM&E briefed the Office of Administration's Assistant Commissioner on the three alternatives. The briefing considered both the opportunities and risks associated with each option. The Program



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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Management Office concluded the plan requiring CBP to hire additional staff during a hiring pause would be challenging and high risk. FM&E recommended continuing execution through USACE; the Assistant Commissioner concurred with this recommendation.

OIG Response: CBP does not mention that by June 2012, it was 21 months into a planned 15-month construction schedule and it was experiencing millions of dollars of IAA contract modifications, many of which were poorly documented or not documented at all. As a result, construction plans for buildings originally included in the ATC Master Plan had been scaled back, delayed, or cancelled (e.g., ATC dormitory/conference center and vehicle maintenance facilities). Given these circumstances, any decision by senior CBP officials to change service providers or turn to in-house personnel to complete the project would likely have further increased cost and schedule problems.

CBP Comment: OIG's finding that CBP did not complete key documentation required for the IAA, including the IGCE, the Analysis of Alternatives, and the Acquisition Plan, is inaccurate. OIG had access to the complete ATC IAA file, which included readily available documentation showing senior procurement officials' awareness of the decision to use USACE's services. Although not signed, CBP also developed an Acquisition Plan. CBP also complied with the requirement to obtain senior procurement officials' approval prior to issuance of the IAA. The approval is dated May 24, 2010.

Although not signed, the Analysis of Alternatives in the file documents support for the decision to use USACE. CBP will continue to emphasize the need to ensure IAA documents comply with standard procedures. CBP also established IGCEs and provided documentation supporting the cost breakdown, which is noted in the IAA Statement of Work.

OIG Response: CBP was unable to provide OIG with signed and dated documentation showing it ensured that its decision to enter into an IAA with USACE was thoroughly analyzed and the results reviewed and approved by senior CBP procurement officials prior to entering into the agreement. As a result, CBP was unable to demonstrate its May 2010 decision to use USACE was in CBP's and the Government's best interest.

CBP Comment: OIG contends that none of the five buildings to be constructed under the ATC IAA was completed within planned cost, schedule, and performance requirements; and three of the five buildings were completed about 10 months after the target completion date. CBP



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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concedes there are schedule delays, but objects to OIG's assertion these delays were the result of a lack of oversight.

There was a significant delay in completing the ATC. The original contract completion date was January 2012; the final negotiated completion date was November 30, 2012. The two main drivers to the schedule delay were (1) weather delays and unforeseen site conditions and (2) design error and questions about design specifications. There were numerous challenges with design, specifications, and code requirements for three of the facilities. To mitigate these and to proceed with construction, FM&E had a senior architect help correct the errors, but the architect was not available until late in the project.

OIG Response: We stand by our statement in the report that that the ATC project did not meet planned cost, schedule, and performance requirements.

CBP concurred with our three recommendations. CBP's responses to the recommendations and OIG analysis follow.

#### **Recommendation #1:**

Implement policies, procedures, and internal controls to increase management oversight and to ensure agency compliance with all statutory, regulatory, departmental, and Component requirements governing the development, review, execution, and use of Interagency Agreements.

**CBP Response:** CBP concurred with recommendation #1. According to CBP, it has issued additional policy and guidance on the use of IAAs. CBP's Office of the Chief Procurement Officer has also reportedly issued an updated *Interagency Guide and Acquisition Alert* (13-19), to provide additional policy on the use of IAAs, including interagency acquisitions, intra-agency acquisitions, and intergovernmental financial transactions. CBP also agreed to: (1) develop additional internal controls; (2) develop additional IAA training for its Office of Administration staff; (3) revise *CBP Directive 5320-028D*; and (4) conduct an annual review of all IAAs to ensure Component compliance with all IAA requirements.

**OIG Analysis:** We concur that the steps CBP is taking and plans to take meet the intent of the recommendation. This recommendation will remain open and unresolved until we receive and evaluate: (1) the newly developed and



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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implemented internal controls; (2) the planned IAA training regime; (3) the revised *CBP Directive 5320-028D*; and (4) CBP's plan for conducting annual IAA reviews.

#### **Recommendation #2:**

Develop and implement policies, processes, and internal controls to ensure CBP compliance with all statutory, regulatory, departmental, and Component requirements governing the development, review, execution, and use of Reimbursable Work Authorizations.

**CBP Response:** CBP concurred with recommendation #2. According to CBP, it has developed interim guidance and controls to ensure compliance with all statutory, regulatory, departmental, and Component requirements governing the use of RWAs. CBP also agreed to update *CBP Directive 5320-028D* on the use of RWAs and to conduct quarterly reviews of RWA obligations to validate their compliance with Component guidance.

**OIG Analysis:** We concur that the steps that CBP is taking, and plans to take, meet the intent of the recommendation. This recommendation will remain open and unresolved until we have reviewed and evaluated: (1) the interim guidance and controls governing the issuance of RWAs; (2) the planned revisions to *CBP Directive 5320-028D*, and (3) CBP's plan to conduct quarterly reviews of RWA obligations.

#### **Recommendation #3:**

Develop and implement a plan to bring all outstanding Economy Act Reimbursable Work Authorizations into compliance with all statutory, regulatory, departmental, and Component requirements. The plan should include a detailed description of the actions to be taken; timelines, milestones, and progress reporting requirements; the identity of entities responsible for implementation; and any short and long-term funding requirements.

**CBP Response:** CBP concurred with recommendation #3. In early 2013, based on OIG's preliminary findings, FM&E reviewed all open obligations made to USACE and developed a plan to cover all RWAs associated with open requirements. In September 2013, the first seven IAAs addressing some of the existing RWAs were awarded. CBP is developing IAAs associated with RWAs for the remaining open projects; it anticipates completing these by the end of FY 2014. Some of the RWAs OIG identified covered completed requirements. Any remaining unexpired



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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funds from these RWAs will be de-obligated and will be conveyed to new projects through IAAs.

From this point forward, CBP will use RWAs solely to capture Component costs for GSA building-related services that cannot be separated readily from standard operating costs. IAAs will be used for all other assisted acquisitions. To ensure compliance, FM&E has developed new policy detailing the requirements for interagency acquisitions, including appropriate documentation and approvals. FM&E will also hire an internal auditor to ensure compliance with IAA processes and policies. Finally, CBP will begin training in December 2013, starting with its Office of Border Patrol facilities and Tactical Infrastructure Program Management Office. In FY 2014, training will be expanded to the remaining project management oversight offices to ensure all staff members understand the IAA process, the associated requirements, and roles and responsibilities for developing and awarding IAAs. The estimated completion date is September 30, 2014.

**OIG Analysis:** We concur that the steps that CBP is taking, and plans to take, meet the intent of the recommendation. This recommendation will remain open and unresolved until we have obtained and reviewed the new FM&E policy detailing the requirements for interagency acquisitions, including appropriate documentation and approvals.



## **Appendix A**

### **Objectives, Scope, and Methodology**

The DHS Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

The objective of our review was to determine whether CBP provided effective oversight and managed the ATC acquisition in accordance with Federal, departmental, and Component requirements. Specifically, we determined whether CBP provided effective oversight and managed Phase IV of the ATC acquisition in accordance with Federal, departmental, and Component requirements.

We interviewed key CBP and USACE officials to discuss issues arising from our field work and obtained and reviewed key documentation that included IAAs, Memoranda of Agreement between CBP and USACE, RWAs, relevant CBP and DHS policies and procedures, and CBP payment supporting documentation. We selected and reviewed 92 percent (\$20 of \$21.8 million) of the expenditures incurred for the IAAs and 100 percent of the approximately \$100,000 of the expenditures incurred for the RWAs. We traced the amounts paid to supporting documentation. We conducted this work at the following locations:

- Harpers Ferry, West Virginia, where we interviewed CBP officials and examined construction;
- The CBP Financial Management Division and National Finance Center, Indianapolis, Indiana, where we interviewed CBP officials, reviewed the CBP accounting procedures and financial payment process, and reviewed financial data from CBP's financial system;
- Fort Worth, Texas, where we interviewed USACE officials and reviewed CBP payment supporting documentation;
- Euless, Texas, where we interviewed CBP officials and reviewed the financial payment process; and
- Washington, DC, CBP Headquarters, where we interviewed CBP officials to discuss issues arising from our audit.

We conducted this performance audit between December 2012 and July 2013 pursuant to the *Inspector General Act of 1978*, as amended, and according to 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



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

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findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



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## Appendix B

### Management Comments to the Draft Report

U.S. Department of Homeland Security  
Washington, DC 20529



U.S. Customs and  
Border Protection

December 12, 2013

Charles K. Edwards  
Deputy Inspector General  
Department of Homeland Security  
245 Murray Drive, SW, Building 410  
Washington, DC 20528

Re: Draft Report, "U.S. Customs and Border Protection's Advanced Training Center Acquisition" (OIG Project No. 13-116-AUD-CBP)

Dear Mr. Edwards:

Thank you for the opportunity to review and comment on this draft report. U.S. Customs and Border Protection (CBP) appreciates the Department of Homeland Security (DHS) Office of Inspector General's (OIG's) work in planning and conducting its review and issuing this report.

The OIG Draft Report identifies several challenges the OIG believes CBP has faced throughout the Advance Training Center (ATC) acquisition process and with regards to the general use of Reimbursable Work Authorizations (RWA) by CBP. CBP concurs with OIG's recommendations and as such, has proactively begun taking the necessary actions to address each of the three recommendations. However, the draft report also contains inaccuracies, omits key information, and is not appropriately contextualized. CBP offers the following additional information to clarify some of the details contained in the report.

#### **Use of a Service Provider**

The OIG's draft report states CBP did not "adequately justify its decision to use an Economy Act service provider rather than in-house CBP personnel, including contractor staff, to manage the ATC acquisition." CBP disagrees with this statement. Based on the initial analysis performed in the course of awarding the Interagency Agreements (IAA) for ATC execution as well as subsequent analysis performed when responsibility for internal oversight of the project was reassigned, CBP believes it did adequately justify its decision to use an Economy Act service provider.

#### *Initial Procurement Analysis*

During the course of the audit, the OIG acquired access to the complete file for both ATC IAAs. The file included the Determinations and Findings (D&F) and Analysis of Alternatives (AA) documents, which were completed in the course of the IAA's development as required for the



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

execution of an IAA under the Economy Act. The documents provide evidence CBP completed an appropriate level of analysis in making its determination that the use of the U.S. Army Corps of Engineers (USACE) as CBP's executing partner for the ATC project was in the best interest of the government.

Furthermore, the contract file also contained documentation of senior-level CBP procurement officials' awareness of the decision to support ATC construction requirements by use of USACE services.

### *Program Office Analysis*

In June 2012, Facilities Management & Engineering (FM&E) conducted a second analysis to determine which type of construction execution would be appropriate for the ATC project. The Program Management Office (PMO) considered the following options: 1) continue ATC execution by USACE; 2) select an alternate Federal Service Provider; or 3) complete construction using CBP in-house resources.

On June 28, 2012, FM&E briefed OA's Assistant Commissioner (AC) on the three possible alternatives. The briefing considered both the opportunities and risks associated with each option as summarized below. The PMO concluded the execution of a plan requiring CBP to hire additional staff for Project Management and Procurement during an organization-wide hiring pause would be both challenging and very high risk. Ultimately, FM&E recommended execution via USACE continue. The OA AC concurred with this recommendation.

### *Summary of Program Office Analysis*

#### **Option 1: Continue ATC Execution by the USACE (Recommended and Selected)**

USACE had a successful track record of meeting major construction project schedules for CBP and the Department of Homeland Security's (DHS) highest profile projects including the Pedestrian Fence (PF) 225 and Vehicle Fence (VF) 300 and Expedited Facilities Initiative (EFI) (construction of 16 facilities). The USACE brings an experienced team from these aforementioned projects. Additionally, continuing to execute through USACE would reduce the risk of further protest due to the implementation of the Department of Justice's (DOJ) recommendation to seat a new Source Selection and Evaluation Board (SSEB) to address issues raised in prior protests. Further, many of the necessary procurement actions required to complete the DCC portion of the project had already been executed by USACE, which positively impacts project delivery date. Finally, USACE had also engaged the Architect, Design and Engineering firm to complete a detailed constructability review to ensure the same challenges which arose during the construction of other ATC facilities would not arise during the DCC construction.

Risks considered during this analysis included the possibility of protest (though reduced relative to other service providers) and the associated delay in project execution. Additionally, having the Designer of Record (DOR) contracted to CBP rather than to USACE continued to cause concern. To mitigate this concern, CBP assigned a full-time architect to ensure construction contractor and DOR concerns were appropriately communicated and addressed timely so as not to adversely impact project delivery. This resource was assigned during the completion of the

2



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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Shower/Locker Room (SLRF) and Welcome Center (WCSCC) and Dining Facility (DFAC) projects, and would continue with the DCC project. Finally, though the USACE's track record for project execution on CBP's behalf has been strong, there is always the risk of unsatisfactory performance by the contractor, making CBP oversight and support of the service provider that much more critical.

#### **Option 2: Select an alternate Federal Service Provider.**

Continuing to develop relationships across the Federal government would have been a boon for CBP, particularly within the DHS family. To that end, the FM&E considered both the U.S. Coast Guard and Naval Facilities (NAVFAC) as examples of other Federal service providers.

However, the requirement for additional resources required to support CBP Procurement in the execution of new IAAs, compounded by the rework required for the request for proposal (RFP), solicitation, SSEB, and award requirements ultimately factored more heavily into CBP's decision to stay with USACE than did CBP's desire to establish new service provider relationships. Additionally, Option 2 did not solve the problem of the DOR being contracted directly to CBP. That problem would have persisted regardless of whether a different Federal Service provider was used to complete the work. Finally, the more general concern of possible unsatisfactory performance sighted under Option 1 would also be present in Option 2. However, the existing relationship and understanding of each other's business processes and oversight approach, which exists with USACE, would not have been present with another service provider.

#### **Option 3: Complete construction using CBP In-House Resources**

FM&E has the desire to grow its organic capability for construction management and, where appropriate, eliminate its reliance on USACE and other third-party service providers. Yet CBP's nearly two-year long hiring pause has played an adverse role in its ability to perform work in-house. Under the hiring pause, CBP would have been unable to hire the right skills sets and, even if individuals with these skill sets were onboard, CBP would be unable to backfill in the event the individual separated, placing the ATC project at a high risk for project failure. In terms of resources to support a more than \$50 million project, significant additional funds would have been required to supplement CBP Procurement labor and project engineers, and a heavy reliance on contract support would be required to round out Program Management Office staff. Further, if CBP were to bring the execution of the ATC project in-house, some re-writing of the RFP, solicitation, SSEB and award requirements would be required, resulting in both schedule and cost impacts. The risk of formal protest is greater than allowing USACE to execute this project. While FM&E's desire to grow its organic capacity remains, it was determined that the ATC is the wrong project to serve as a test bed.

#### **Management and Oversight of the Service Provider**

##### ***IAA Documentation***

Pages 3 and 4 of the draft report states CBP failed to complete key documentation required for the \$55.7 million IAA used to "oversee and manage the execution of the ATC acquisition."



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

These documents include the Independent Government Cost Estimate (IGCE), the AA and the Acquisition Plan (AP). This statement is inaccurate.

The OIG acquired access to the complete ATC IAA file. Within that file, contract documentation which reflected senior procurement officials' awareness of the decision to support ATC construction requirements by use of USACE services was readily available. An AP document was also developed to support CBP's position to use the USACE although it wasn't signed. Additionally, CBP complied with the Office of Federal Procurement Policy's requirement to obtain CBP senior procurement officials' approval prior to issuance of an IAA. The approval is dated May 24, 2010.

The AA in the file provides documentation that supports the decision to use USACE as a service provider. Although the AA is not signed, CBP Procurement will continue to emphasize the need to ensure IAA documents are in compliance with standard procedures.

Independent IGCEs were established within the CBP program office. IGCE estimates were provided and documentation supporting the cost breakdown is noted in the IAA statement of work.

#### ***Oversight Practices***

CBP opposes the OIG's contention that the lack of specific documentation associated with the ATC's IAAs precluded CBP from carrying out appropriate management and oversight of the ATC project. FM&E believes that it has sufficient processes and procedures in place to ensure appropriate management and oversight, not only of the ATC project but of all construction projects it executes. IAAs are not the appropriate tool to manage a project. The appropriate tools are the contractor schedule, cost, FM&E's Project Requirements Document (PRD) and the Facility and Infrastructure Tracking Tool (FITT) system which were and are used for the ATC projects.

FM&E develops a PRD which establishes the scope, cost (IGCE) and schedule for any executed project. The PRD also identifies potential project risks as well as all real estate and environmental actions. USACE and CBP project managers work in concert to develop each project's labor cost estimate, which details the level of effort by the USACE to support the project. This estimate includes costs and hours by individual and skillset (e.g. John Doe, Architect) by month. Finally, the PRD identifies the roles and responsibilities of staff that support the project. The PRD establishes the initial project baseline until contract award, at which time the project baseline is updated to reflect the baseline in the awarded contract.

Once complete, the information in the PRD is used to populate the PMO's web-based project management and communication tool, called the Facilities and Infrastructure Tracking Tool (FITT). The FITT system tracks projects from initial development through closeout and is used by the project teams to track schedule, cost, and risk information. Standard PMO process is to enter all projects into FITT and review each project on a minimum of a bi-weekly basis. More frequent reviews may occur, depending on the needs of the project for management review, oversight, and/or intervention. These reviews, dubbed "FITT Calls," are staffed by the PMO's functional Subject Matter Experts (SMEs), the PMO's business partner and USACE. Project

4



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

Managers brief their project status utilizing FITT, raising any issues (i.e. scope, schedule and cost (including USACE)) which may require management input. Project change management is also managed through FITT via a workflow of approval levels, including real estate, environmental, design, budget, business partner, and management. All final documents are uploaded to FITT, including final designs and as-built drawings.

#### *Schedule Impacts to Project Delivery*

Page 5 of the OIG report contends “None of the five buildings to be constructed under the ATC IAA was completed within planned cost, schedule and performance requirements. Three of the five buildings were completed about 10 months after the target completion date...”. CBP concedes there were schedule delays in project delivery. However, we strongly object to the OIG’s assertion these delays were the result of lack of oversight.

There was a significant delay in the completion of the ATC project. The original contract completion date was January 2012. The final negotiated contract completion date was November 30, 2012. There are two main drivers to the schedule delay. The first is weather delays and unforeseen site conditions. The second, more significant factor leading to over 272 days of delay was design error and questions regarding the specifications from the DOR. The DOR had numerous challenges with design, specification and code requirements for the SLRF, DFAC and WSCC. To mitigate these performance challenges, FM&E had to commit a senior Architect to work with and help the DOR correct the design errors, including completing preliminary drafting of design corrections so the construction contractor could proceed with constructing the buildings. This architectural resource was not available to FM&E until late into the project.

#### **Appropriateness of RWAs versus the Authority to Sign RWAs**

CBP agrees with the OIG that IAAs are the appropriate method to fund the USACE for assisted acquisitions when utilizing the authority of the Economy Act. To address the OIG’s finding, CBP has planned and implemented corrective action plans to use IAAs, rather than RWAs, to fund actions conducted under the authority of the Economy Act. CBP notes, however, that there are some instances, namely those involving transactions with GSA at space/facilities controlled by GSA, where it is proper to use RWAs as the vehicle for transfer of funds.

The draft report contained three recommendations directed to CBP’s Deputy Commissioner. CBP concurs with all three recommendations. Specifically, OIG recommended CBP:

**Recommendation 1:** Implement policies, procedures, and internal controls to increase management oversight and to ensure agency compliance with all statutory, regulatory, departmental, and component requirements governing the development, review, execution, and use of Interagency Agreements.

**Response:** Concur. New Departmental policy and guidance regarding the use of IAAs was provided in July 2013. The Office of the Chief Procurement Officer issued an updated Interagency Acquisition Guide and Acquisition Alert 13-19, which provided policy related to IAAs, including inter-agency acquisitions, intra-agency acquisitions, and intra-governmental financial transactions (IFT) which do not result in an assisted acquisition. With the exception of



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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the IFT portion of the policy, CBP is operating in accordance with the DHS policy. The IFT process provides for “financial transaction” between components in lieu of utilizing the respective procurement organizations.

CBP is working to establish the framework to implement the IFT portion of the policy. Until then, CBP continues to execute IAAs as it has in the past. While no additional policy is necessary, CBP will develop internal control procedures as appropriate, provide training in FY14 for CBP’s OA personnel and conduct an annual review of IAAs to ensure compliance with the DHS policy. After the IFT policy is finalized, CBP will revise the CBP Directive 5320-028D to describe the appropriate use of IAAs.

Estimated Completion Date (ECD): December 31, 2014

**Recommendation 2:** Develop and implement policies, processes, and internal controls to ensure CBP compliance with all statutory, regulatory, departmental, and component requirements governing the development, review, execution, and use of Reimbursable Work Authorizations.

**Response:** Concur. CBP will undertake the following actions in order to develop and implement appropriate guidance and controls to ensure RWAs are used only in compliance with statutory, regulatory, departmental, and component requirements.

CBP will revise the CBP Directive 5320-028D to describe the appropriate use of a RWA, and implement a quarterly review of RWA obligations to validate they were issued for the purpose as defined in CBP Directive 5320-028D.

CBP has already issued internal guidance to ensure compliance validated through review by CBP’s Office of Chief Counsel. However, until the CBP Directive 5320-028D is updated, CBP will proceed with current internal guidance procedures for CBP personnel to identify the appropriate use of an RWA, including identifying all required documentation supporting the issuance of an RWA.

ECD: January 31, 2014

**Recommendation 3:** Develop and implement a plan to bring all outstanding Economy Act Reimbursable Work Authorizations into compliance with all statutory, regulatory, departmental, and component requirements. The plan should include a detailed description of the actions to be taken; timelines, milestones, and progress reporting requirements; the identity of entities responsible for implementation; and any short- and long-term funding requirements.

**Response:** Concur. In order to bring all outstanding RWAs into compliance with statutory, regulatory, departmental and component requirements, OA’s Procurement and FM&E Directorates developed and implemented IAA to cover existing requirements by linking existing RWAs to IAAs, including all required supporting documentation.

In early 2013, based on the OIG’s preliminary findings, FM&E reviewed all open obligations made to the USACE. From this review, the aforementioned plan to cover all RWAs associated with open requirements was developed. In September 2013, implementation began with the



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

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award of the first seven IAAs to address some of the existing RWAs. IAAs associated with any remaining RWAs for open projects are being developed and are anticipated for completion by the end of fiscal year 2014. Some of the RWAs identified during the OIG's audit are associated with completed requirements. Any remaining unexpired funds from these RWAs will be de-obligated and when placed on new projects will be conveyed to the assisting agency using an IAA.

From this point forward, RWAs will be used solely to capture agency costs for the U.S. General Services Administration building-related services which cannot readily be separated from standard operating costs. Interagency Agreements will be used for all other works executed as assisted acquisitions. To ensure compliance, FM&E has developed new policy detailing the requirements for interagency acquisitions including appropriate documentation and approvals. An internal auditor is also being hired within FM&E to ensure compliance with IAA processes and policies. Finally, training will be launched in December 2013, beginning with FM&E's Border Patrol Facilities and Tactical Infrastructure Program Management Office and expanded to the remaining PMOs during FY 2014, to ensure all staff understands the IAA process, the associated requirements and their individual roles and responsibilities with respect to developing and awarding IAAs.

ECD: September 30, 2014

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please feel free to contact me if you have any questions. Alternatively, a member of your staff can contact Jennifer Topps, Audit Liaison, Office of Internal Affairs, at (202) 325-7713. We look forward to working with you in the future.

Sincerely,

James F. Tomsheck  
Assistant Commissioner  
Office of Internal Affairs



## Appendix C Advanced Training Center’s Phases and Development

ATC Phases	Construction/Development	Target Completion
One (I)	<ul style="list-style-type: none"> <li>• Visitor’s Center</li> <li>• Shipping and Receiving Building</li> <li>• Administration Building</li> <li>• Defensive Tactics Building</li> <li>• Three Scenario Training Facilities</li> <li>• Armory</li> <li>• Water Storage Tank/Sanitary System Equipment</li> <li>• Training Pond and Fence Enclosure</li> </ul>	Completed
Two (II)	<ul style="list-style-type: none"> <li>• Land/Property Acquisition</li> </ul>	Completed
Three (III)	<ul style="list-style-type: none"> <li>• Leadership Academy (Global Borders College)</li> <li>• Extended Cold Storage</li> <li>• Heliport</li> <li>• Warehouse and Receiving Building</li> <li>• Firing Range</li> <li>• Renovations</li> </ul>	Completed
Four (IV)	<ul style="list-style-type: none"> <li>• Dining Hall</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>• Shower and Locker Room Facility</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>• Welcome and Security Center</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>• Contractor Maintenance Facility*</li> </ul>	On Hold (Cancelled)
	<ul style="list-style-type: none"> <li>• Dormitory and Conference Center**</li> </ul>	To be Determined

Source: DHS OIG

\* Building cancelled because of lack of funding.

\*\* Construction postponed indefinitely because of an ongoing contractor protest.



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

**Appendix D**

**Reimbursable Work Authorization Example**

<b>REIMBURSABLE WORK AUTHORIZATION</b> (See Instructions on Page 4)			Unless specified otherwise, the authority for this agreement is 40 U.S.C. § 592(b)(2)		
1. DATE OF REQUEST Jul 24, 2012		2. RWA NUMBER (GSA Use Only)		3. TYPE OF REQUIREMENTS (GSA Use Only) <input type="checkbox"/> SEVERABLE <input type="checkbox"/> NON-SEVERABLE <input type="checkbox"/> GOODS	
4. AGENCY AND BUREAU NAME Customs and Border Protection			5. WORK LOCATION ██████████ 330374		
5A. AGENCY CONTACT NAME ██████████			5E. AGENCY CONTACT'S ADDRESS ██████████ BD40BS		
5B. AGENCY CONTACT'S TELEPHONE NUMBER ██████████		EXTENSION 0000		5C. AGENCY CONTACT'S E-MAIL ██████████	
5D. AGENCY CONTACT'S FAX NUMBER ██████████			7. DESCRIPTION OF REQUIREMENTS ██████████ Added line 20 for Construction @ the ATC \$10,076.38 Added line 30 for Construction @ the ATC \$14,051.00 Added line 40 for Construction @ the ATC \$3,698,890.87 Added line 50 for Construction @ the ATC \$1,165,011.63		
8. AMENDMENT RWA amendment provided to change total authorized amount by		9A. BILLING TYPE (See Instructions)	9B. BILLING TERMS (See Instructions)		Bridging funds for USACE Construction Management Labor in support of ATC, Harpers Ferry. Bridging Funds for USACE Construction Management Labor in Support of ATC, Harpers Ferry.
\$4,888,029.88 from \$80,000.00 to \$4,999,029.88					
10A. AGENCY LOCATION CODE ██████████		10B. FISCAL STATION NUMBER (DOD ONLY)	10C. REQUISITION IDENTIFICATION NUMBER 20070314.1		11. REQUESTED WORK DATES A. START: May 23, 2012 B. COMPLETION: May 1, 2014
13A. AGENCY ACCOUNTING DATA (Limited to 130 Characters) See Attached			13B. AGENCY FUND YEAR 12	12. AGENCY CERTIFIED AMOUNT USD 4,968,029.88	
13C. FUND TYPE Please check Fund Type. If applicable, also check RECOVERY ACT - see instructions. <input type="checkbox"/> ANNUAL APPROPRIATION <input type="checkbox"/> NO-YEAR APPROPRIATION <input checked="" type="checkbox"/> MULTIPLE YEAR APPROPRIATION <input type="checkbox"/> RECOVERY ACT			13D. EXPIRATION DATE OF OBLIGATIONAL AUTHORITY		14A. AGENCY BILLING CONTACT E-MAIL ADDRESS ██████████
13E. AGENCY/CUSTOMER BUSINESS PARTNER NETWORK/DATA UNIVERSAL NUMBERING SYSTEM NUMBER (BPN/DUNS) ██████████		13F. AGENCY/CUSTOMER ORDER NUMBER ██████████		14B. AGENCY FINANCE BILLING OFFICE CUSTOMS AND BORDER PROTECTION ██████████	
13G. TREASURY ACCOUNT SYMBOL SEE Attached			14C. STREET ADDRESS ██████████	14D. CITY ██████████	14E. STATE ██
			14F. ZIP CODE ██████	15A. FUNDING AGENCY CODE (FPDS) ██████████	15B. FUNDING OFFICE CODE (FPDS) ██████████

**GENERAL SERVICES ADMINISTRATION INTERNAL CUSTOMER OR INTERFUND CUSTOMER ONLY**

16. FED CODE	17. PEGASYS DOCUMENT NUMBER	18. PEGASYS ACCOUNTING LINE NUMBER	19. FUND CODE	20. INTERFUND YEAR
--------------	-----------------------------	------------------------------------	---------------	--------------------

By its signature below, the Requesting Agency certifies (a) that all special funding and procurement requirements of the Requesting Agency, including statutory or regulatory requirements applicable to the funding being provided by the Requesting Agency, have been disclosed to GSA; (b) that all internal reviews/approval required by the Requesting Agency prior to placing this RWA with GSA have been completed; (c) that the Requesting Agency has a bona fide need in the current fiscal year for the work described in this RWA; (d) that the funds identified by the Requesting Agency in this RWA are legally available for the further obligation and expenditure by GSA in furtherance of the work described in this RWA; and (e) that the Requesting Agency accepts the General Terms and Conditions set forth on page 3 of this RWA. Further written assurances regarding funding availability may be required depending on the facts and circumstances of individual requests.

21A. SIGNATURE OF FUND CERTIFYING OFFICIAL ██████████		21B. DATE Jul 24, 2012
21C. NAME OF FUND'S CERTIFYING OFFICIAL ██████████		21D. CERTIFYING OFFICIAL'S E-MAIL ADDRESS ██████████
21E. TELEPHONE NUMBER OF CERTIFYING OFFICIAL PHONE NUMBER ██████████	EXTENSION	

NOTE: The General Services Administration will bill in accordance with Federal Management Regulation (41 CFR) Part 102-85.195. It is anticipated that the Agency Certified Amount provided in Block 12 will be sufficient to complete the work requirements of the Requesting Agency. If it is determined that the funds provided by the Requesting Agency will be insufficient to complete the work requested under this agreement, GSA will seek an amended RWA from the Requesting Agency for additional funding prior to incurrence of costs above the Agency Certified Amount.

GENERAL SERVICES ADMINISTRATION

GSA 2957 (REV. 2/2011)



## **Appendix E**

### **Major Contributors to This Report**

Richard T. Johnson, Director  
Paul M. Streit, Audit Manager  
Michael J. Brunelle, Auditor-in-Charge  
Kathleen G. Hyland, Auditor  
G. Scott Crissey, Program Analyst  
Kelly Herberger, Communications Analyst  
Ralleisha G. Dean, Referencer



## **Appendix F**

### **Report Distribution**

#### **Department of Homeland Security**

Secretary  
Deputy Secretary  
Chief of Staff  
Deputy Chief of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Liaison Office  
Assistant Secretary for Office of Policy  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs  
CBP Audit Liaison  
Chief Privacy Officer

#### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

#### **Congress**

Congressional Oversight and Appropriations Committees, as appropriate

## ADDITIONAL INFORMATION

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For further information or questions, please contact Office of Inspector General (OIG) Office of Public Affairs at: [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov), or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).”

## OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at [www.oig.dhs.gov](http://www.oig.dhs.gov) and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to:

Department of Homeland Security  
Office of Inspector General, Mail Stop 0305  
Attention: Office of Investigations Hotline  
245 Murray Drive, SW  
Washington, DC 20528-0305

You may also call 1(800) 323-8603 or fax the complaint directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.