



### Why This Matters

According to the U.S. Customs and Border Protection (CBP), the most significant challenge to increasing enforcement efforts is a lack of available housing in remote locations. In late 2012, CBP completed construction of 21 two and three-bedroom homes in Ajo, Arizona at a cost of approximately \$680,000 per home. The project received media and Congressional attention questioning why CBP built houses at a premium price when in 2011, the average price of a house in Ajo was \$86,500.

We made five recommendations that should improve CBP's planning and management of future housing projects.

### CBP Response

CBP concurred with all five of our recommendations. The Facilities Management and Engineering (FM&E) Directorate has begun taking action to improve CBP's planning and management of future housing projects. Specifically, CBP has established a system of checks and balances for project funding approvals. CBP will establish procedures to determine and justify the necessity of all housing amenities and upgrades, expedite the implementation of the recommendations from the OIG-14-47 report, require the General Services Administration de-obligate the funds for Ajo housing, and postpone all activities for current and future housing projects.

### For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)

## CBP Did Not Effectively Plan and Manage Employee Housing in Ajo, Arizona

### What We Determined

CBP officers and border patrol agents are often stationed in remote areas of the country without adequate housing options. In 2008, CBP identified a need for employee housing along the southwest border, in particular, in Arizona and west Texas, given the remoteness and limited housing market. CBP began planning the construction of employee housing in Ajo, Arizona in 2008 and completed construction in late 2012.

CBP did not effectively plan and manage the Ajo project and made decisions that resulted in additional costs to the Federal government. CBP paid a premium price for the land, built 21 two- and three-bedroom family-style houses rather than the recommended one-bedroom apartment-style housing, and included unnecessary amenities. While constructing the 21 family-style houses, CBP purchased 20 mobile homes for the Ajo area at a cost of \$2.4 million. CBP also paid the General Services Administration to manage the project, but did not adequately justify use of its services. CBP increased project funding seven times without detailing how funds would be spent. These issues occurred because CBP ignored recommendations from a study conducted to guide the project, did not have procedures to prevent the purchase of unnecessary land and amenities, and bypassed key acquisition procedures. We identified approximately \$4.6 million spent on the project that could have been put to better use. According to CBP, once funding becomes available, it plans to build more houses in the same location.

### What We Recommend

The Assistant Commissioner of the U.S. Custom and Border Protection's Office of Administration:

- 1) Establish quality control procedures for approval of housing projects and appoint an approving official reviewer for all construction projects costing \$5 million or more.
- 2) Establish procedures to determine and justify the necessity of all housing amenities and upgrades.
- 3) Ensure contracting and project management services rely on the Office of Contracting and Procurement at U.S. Customs and Border Protection to exercise the proper oversight, as well as the obligation and transfer of funds.
- 4) Identify the amount of unspent funds from the Ajo and Lukeville housing projects, including the approximately \$3 million transferred to the General Services Administration, and require the return of funds immediately.
- 5) Postpone all activities for current and future housing projects until implementing the recommendations in this report to ensure efficient use of funds.