

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

Review of U.S. Immigration and Customs Enforcement's Reporting of FY 2013 Drug Control Performance Summary Report





OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

FEB 12 2014

MEMORANDUM FOR: Radha Sekar
Acting Executive Associate Director
Management and Administration
U.S. Immigration and Customs Enforcement

FROM: Mark Bell 
Acting Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's
Reporting of FY 2013 Drug Control Performance Summary
Report*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's Reporting of FY 2013 Drug Control Performance Summary Report*. U.S. Immigration and Customs Enforcement's management prepared the Performance Summary Report to comply with the requirements of the Office of National Drug Control Policy Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm KPMG LLP to perform the review. KPMG LLP is responsible for the attached independent accountants' report, dated February 04, 2014, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report. This report contains no recommendation.

Consistent with our responsibility under the *Inspector General Act*, we are providing 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 Sandra John, Acting Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Report

Deputy Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE) for the year ended September 30, 2013. ICE's management is responsible for the Performance Summary Report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report. Accordingly, we do not express such an opinion.

Management of ICE prepared the Performance Summary Report to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control and Performance Summary*, dated January 18, 2013 (the Circular).

Based on our review, nothing came to our attention that caused us to believe that the Performance Summary Report for the year ended September 30, 2013, referred to above, is not fairly stated, in all material respects, in conformity with criteria set forth in the Circular.

This report is intended solely for the information and use of management of DHS and ICE, the DHS Inspector General, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 4, 2014

Office of the Chief Financial Officer

U.S. Department of Homeland Security
500 12th Street, SW
Washington, D.C. 20536



**U.S. Immigration
and Customs
Enforcement**

February 4, 2014

Ms. Anne L. Richards
Assistant Inspector General for Audit
U.S. Department of Homeland Security
Office of the Inspector General
1120 Vermont Avenue NW, 10th Floor
Washington, DC 20005

Dear Ms. Richards,

In accordance with the Office of the National Drug Control Policy circular, Drug Control Accounting, dated January 18, 2013, enclosed is Immigration and Customs Enforcement's report of FY 2013 drug performance metrics and targets.

If you require further assistance on this information, please contact Jamie Sturgis at (202) 732-6188.

Sincerely,

A handwritten signature in cursive script that reads "Sabrina Jones".

Sabrina Jones

Deputy Director, Office of Budget and Program Performance
U.S. Immigration and Customs Enforcement

**U.S. Department of Homeland Security
U.S. Immigration and Customs Enforcement**

**Performance Summary Report of Drug Control Funds during FY 2013
International Affairs**

Metric 1: Percentage of overseas investigative hours spent on drug-related cases.

FY2009 Actual	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Target	FY2013 Actual	FY2014 Target
3.80%	4.90%	6.30%	6.30%	6.30%	8.11%	6.90%

(1) Description

The outcome metric for International Affairs as a whole is the percentage of overseas investigative hours spent on drug-related cases. This metric evaluates the percentage of Immigration and Customs Enforcement's (ICE) overall overseas investigations that impact counter-narcotics enforcement.

International Affairs supports U.S. drug control policy, specifically Office of National Drug Control Policy (ONDCP) initiatives, by supporting the overall ICE mandate to detect, disrupt, and dismantle smuggling organizations. Increased hours spent on drug-related cases directly lead to increased detection, disruption and dismantlement of drug smuggling organizations. International Affairs' investigative resources are directed at organizations smuggling contraband (including narcotics) into the United States. International Affairs partners with domestic ICE components and with U.S. law enforcement agencies overseas to leverage overseas resources mitigating global narcotics threats to the U.S. This includes utilizing investigative and intelligence techniques to support domestic cases and interagency cross-border initiatives.

This counter-narcotics performance metric is evaluated on a consistent basis for International Affairs. It is, in some cases, put into Senior Executive Service (SES) performance plans, and is also tracked at a high managerial level by way of processes such as Homeland Security Investigations (HSI) Trak, ICE Trak, programmatic monitoring, financial monitoring and quarterly expenditure reports.

(2) Actual performance results for FY 2013

In FY 2013, 8.11% of overseas investigative case hours were spent on drug-related cases, exceeding the target of 6.3%. The percentage of overseas investigative hours spent on drug-related cases is derived by dividing the drug-related case hours by the total investigative case hours of overseas agents.

(3) The performance target for FY 2014

The performance target for FY 2014 is 6.90%. The 6.90% target is based on the average three prior years' performance results. In establishing this metric, International Affairs plans to have sufficient resources to support the same level of effort on drug related investigations.

(4) Quality of performance data

The database used to obtain International Affairs performance data is the Treasury Enforcement Communication System (TECS), which is ICE’s automated case management system that records investigative hours. International Affairs relies on the TECS system to ensure the performance data is accurate, complete, and unbiased in presentation and substance. ICE conducts quality control verification on all data received through the TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance.

Performance Summary Report of Drug Control Funds during FY 2013 Intelligence

Metric 1: Number of counter-narcotics intelligence requests satisfied.

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 <i>Target</i>	FY 2013 <i>Actual</i>	FY 2014 <i>Target</i>
1,969	338	2,721	552	560	656	656

(1) Description

Intelligence supports its customers by satisfying their intelligence requirements – providing products and services that inform customers and close existing “intelligence gaps.” Customer requirements are formally documented and captured within the Analytical Framework for Intelligence (AFI). Levied requirements are then either “satisfied” by Intelligence, or not. In the latter case, an intelligence gap remains. Satisfaction of customer requirements represents the “outcome” of Intelligence production in that satisfying customer requirements closes the gap in their information needs and allows customers to make informed decisions about executing law enforcement actions.

This counter-narcotics performance metric is evaluated on a consistent basis for Intelligence, and is in some cases put into SES performance plans, but is also tracked at a high managerial level via such processes as HSI Trak, ICE Trak, programmatic monitoring, financial monitoring and quarterly expenditure reports.

An Intelligence Information Report (IIR) is a formal standardized method of disseminating raw unevaluated information, on behalf of the Department of Homeland security (DHS) Intelligence Enterprise (IE) and other information providers, to elements of the Intelligence Community (IC) and the DHS IE as appropriate. This is the primary vehicle through which the Reports Section shares this raw intelligence within ICE and throughout the DHS and the IC. At the end of fiscal year (FY) 2013, the ICE Intelligence Program (to include HSI-Intel at HQ and the Special Agent in Charge (SAC) Intelligence Programs in the field) produced a total of one thousand four hundred and seventy (1,470) IIR products with four hundred and thirty-seven (437) counter-narcotics related.

The Analytical Framework for Intelligence (AFI) allows HSI-Intel to maintain visibility on all Intelligence products used by the HSI field offices and at headquarters (HQ). This system allows HSI-Intel to run searches on specific mission areas, which include counter- narcotics and drug smuggling Intel-related products. At the end of fiscal year (FY) 2013, the ICE Intelligence Program (to include HSI-Intel at HQs and the SAC Intelligence Programs in the field) produced

a total of one thousand one hundred sixty (1,160) intelligence products with two hundred and nineteen (219) counter-narcotics related.

(2) Actual performance results for FY 2013

In FY 2013, Intelligence accounted for six hundred and fifty-six (656) Counter-narcotic satisfied requests, as reported by the HSI Office of Intelligence Collections and Operations Division. The new performance results were calculated using the revised methodology. The FY 2013 targets were based on prior year methodology, and can not be compared to the FY 2013 results based on the new methodology. The new methodology was approved by ONDCP.

(3) Performance target for FY 2014

The performance target for FY 2014 is six hundred and fifty-six (656) counter-narcotics intelligence requests satisfied. The target is based on the prior year actual data. ICE Intelligence is examining other ways to create more robust performance measures in the area of drug enforcement, to include intelligence production metrics based on drug related intelligence hours recorded in TECS.

(4) Quality of performance data

Databases used to validate Intelligence’s performance data are TECS, IIR and the AFI. Intelligence conducts quality control verification on the AFI, IIR and TECS data to ensure the performance data is accurate and unbiased in presentation and substance.

**Performance Summary Report of Drug Control Funds During FY 2013
Domestic Investigations**

Metric 1: Percentage of significant high-risk transnational criminal investigations that result in a disruption or dismantlement.

FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target
18.0%	18.0%	31.8%	19%

(1)Description

ICE coordinated with the Office of National Drug Control Policy (ONDCP) and established new performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. This metric supports the National Counter Narcotics Strategy objectives and initiatives to disrupt and dismantle transnational and domestic drug trafficking and money laundering organizations. The new performance metric is “the percentage of significant, high risk transnational criminal investigations that result in a disruption or dismantlement.” Agents submit enforcement actions that meet the definition of either a disruption or dismantlement that involve criminal investigations of cases deemed significant or high risk based on a pre-defined set of criteria reviewed by a Significant Case Review (SCR) panel. The SCR panel reviews enforcement actions and examines each submission of the criminal investigative elements that are being presented to ensure that it meets the requirement of a disruption or dismantlement. A disruption is defined as actions taken in

furtherance of the investigation that impede the normal and effective operation of the target organization or targeted criminal activity. Dismantlement is defined as destroying the target organization's leadership, network, and financial base to the point that the organization is incapable of reconstituting itself.

Since this performance metric was implemented in 2012, ICE does not have performance data for years prior to FY 2012 and is unable to report four years of performance data as required by the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, Section 7.a.(2), dated January 18, 2013.

(2) Actual performance results for FY 2013

In FY 2013, 31.8% of significant high-risk transnational criminal investigations resulted in a disruption or dismantlement and exceeded the FY 2013 target of 18.0%.

(3) Performance target for FY 2014

The performance target for FY 2014 is 19%. The target is based upon prior year FY 2013 targets and was developed using a conservative increase due to the fact that this is a new measure and process that does not have enough years to complete a standard trend analysis. As more data is gathered, the target will be based upon an average of three prior years' performance results. Domestic Investigations has taken proactive steps, including the use of the Significant Case Report Module in the TECS, to enhance its management practices to better allocate investigative resources.

(4) Quality of performance data

The database used to validate Domestic Investigations performance data is TECS. Domestic Investigations relies on the TECS system to ensure the performance data are accurate, complete, and unbiased in presentation and substance. Domestic Investigations conducts quality control verification on all data received through TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance.

Metric 2: Percent of transnational drug investigations resulting in the disruption or dismantlement of high threat transnational drug trafficking organizations or individuals

FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target
12.0%	12.0%	42.6%	44%

(1) Description

ICE coordinated with the ONDCP and established performance metrics in FY 2012 to better indicate the success of counter-narcotics enforcement across all investigative areas. The wording of the metric was revised in FY 2013 as a part of the strategic measures presented to the Office of Management and Budget (OMB); however, the methodology used to calculate this measure remains consistent with the prior year. ICE supported ONDCP initiatives that include the National Counter Narcotics Strategy objectives such as disrupting and dismantling transnational and domestic drug trafficking and money

laundering organizations. The performance metric is “the percentage of significant high risk drug related illicit trade and illicit travel and finance investigations that result in a disruption or dismantlement.” Agents submit enforcement actions that meet the definition of either a disruption or dismantlement, which are cases deemed high impact or high risk based on a pre-defined set of criteria and are reviewed by a SCR panel. The SCR panel reviews enforcement actions and examines each submission to ensure that it meets the requirement of a disruption or a dismantlement. A disruption is defined as actions taken in furtherance of the investigation that impede the normal and effective operation of the target organization or targeted criminal activity. Dismantlement is defined as destroying the target organization’s leadership, network, and financial base to the point that the organization is incapable of reconstituting itself. Percentages are calculated by dividing drug-related enforcement actions (deemed a disruption or dismantlement) by the total number of enforcement actions within the domestic program.

Since this performance metric was implemented in 2012, ICE does not have performance data for years prior to FY 2012 and is unable to report four years of performance data as required by the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, Section 7.a.(2), dated January 18, 2013.

(2) Actual performance results for FY 2013

In FY 2013, 42.6% of significant high-risk drug-related, illicit trade, travel and finance investigations resulted in a disruption or dismantlement. Thus, the FY 2013 target of 12.0% was met.

(3) Performance target for FY 2014

The performance target for FY 2014 is 44%. The target is based upon the Future Year Homeland Security Program (FYHSP) requirements. FYHSP requirements are Government Performance and Results Act (GPRA) measures determined by the Office of Management and Budget (OMB). In establishing this metric, Domestic Investigations plans to have sufficient resources to support the same level of effort on drug related investigations.

(4) Quality of performance data

The database used to validate Domestic Investigations performance data is the TECS. Domestic Investigations relies on the TECS system to ensure the performance data is accurate, complete, and unbiased in presentation and substance. Domestic Investigations conducts quality control verification on all data received through the TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance.

ICE Management Assertion Report

Management Assertions

1. Performance reporting system is appropriate and applied.

ICE uses the TECS, IIR and AFI investigative and intelligence case tracking systems of record to capture performance information. The TECS, IIR and AFI data is well-documented, accurately maintained, and reliable, and those systems were properly applied to generate the most recent performance data available for the FY 2013 performance period.

2. Explanations for not meeting performance targets are reasonable.

In FY 2013, ICE actuals met and exceeded all performance targets

3. Methodology to establish performance targets is reasonable and applied.

The methodology described above to establish performance targets for FY 2013 is reasonable given past performance and available resources.

4. Adequate performance metrics exist for all significant drug control activities.

ICE has established more than one acceptable performance metric for its Drug Control Decision Unit—Salaries and Expense. These measures were developed in consideration and support of the ONDCP National Counter Narcotics Strategy as well as DHS and ICE Strategic plan objectives and initiatives.

Exhibit 1: Additional Drug Enforcement Statistics

Domestic Investigations keeps track of additional statistics to monitor their drug enforcement efforts. Domestic Investigations does not set targets for seizures and only provides year end data. Note “high impact” as discussed in statistics 3 through 6 is defined as the weight limit for a seizure that would constitute a federal drug identification number from the El Paso Intelligence Center.

Statistic 1: Dollar value of real or other property seizures derived from/and/or used in drug operations.

FY2009 Actual	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual
\$94.2M	\$47.2M	\$53.7M	\$39.8M	\$41.4M

Statistic 2: Dollar value of seized currency and monetary instruments from drug operations.

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
\$155.3 M	\$115.2 M	\$232.4 M	\$155.7 M	\$1.05 B

Statistic 3: Percentage of total cocaine seizures considered high impact.

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
62%	60%	54%	49%	46%

Statistic 4: Percentage of heroin seizures considered high impact.

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
67%	71%	68%	54%	52%

Statistic 5: Percentage of marijuana seizures considered high impact.

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
57%	57%	48%	43%	36%

Statistic 6: Percentage of methamphetamine seizures considered high impact.

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
52%	56%	65%	63%	61%



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
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
DHS Component Liaison
Chief Privacy Officer

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Office of National Drug Control Policy

Associate Director for Planning and Budget

U.S. Immigration and Customs Enforcement

Director
Chief Financial Officer
Audit Liaison

Congress

Congressional Oversight and Appropriations Committees, as appropriate

ADDITIONAL INFORMATION

To view this and any of our other reports, please visit our website at: www.oig.dhs.gov.

For further information or questions, please contact Office of Inspector General (OIG) Office of Public Affairs at: 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 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.