

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

Independent Review of U.S. Customs and Border Protection'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 14 2014

MEMORANDUM FOR: Eugene H. Schied
Assistant Commissioner
U.S. Customs and Border Protection

FROM: Mark Bell 
Acting Assistant Inspector General for Audits

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

Attached for your information is our final report, *Independent Review of U.S. Customs and Border Protection's Reporting of FY 2013 Drug Control Performance Summary Report*. U.S. Customs and Border Protection'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 10, 2014, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report. This report contains no recommendations.

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 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) Customs and Border Protection (CBP) for the year ended September 30, 2013. CBP'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 CBP prepared the Performance Summary Report to comply with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the Circular).

Based on our review, except as noted below, 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 the criteria set forth in the Circular.

The Performance Summary Report for the year ended September 30, 2013, referred to above, does not include a performance measure for the Automation Modernization Drug Control Budget Decision Unit identified in the Detailed Accounting Submission for the year ended September 30, 2013, as required by section 7b(4) of the Circular.

This report is intended solely for the information and use of management of DHS and CBP, 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 10, 2014



**U.S. Customs and
Border Protection**

FEB 10 2014

MEMORANDUM FOR: Ms. Anne L. Richards
Assistant Inspector General for Audit
Department of Homeland Security

FROM: Deborah J. Schilling
Chief Financial Officer and Deputy Assistant Commissioner,
Office of Administration
US Customs and Border Protection

SUBJECT: Management's Assertions for U.S. Customs and Border
Protection's Performance Summary Report to ONDCP

In compliance with the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to ONDCP. The report contains the results of CBP's fiscal year (FY) 2013 performance in support of the *National Drug Control Strategy*.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied—CBP has a system to capture performance information accurately and the system was properly applied to generate the performance data;
 - (a) The source of the data for the performance measure - Amount of Currency Seized on Exit from the United States, is obtained from TECS (Drug Control Decision Unit – Salaries and Expenses);
 - (b) The source of the data for the performance measure – Percentage of Joint Interagency Task Force – South Annual Mission Hour objective achieved is TECS (Drug Control Decision Unit – Air and Marine Operations); and
 - (c) The source of the data for the performance measure, Number of Apprehensions on the Southwest Border Between the Ports of Entry is the e3 Processing Database (Drug Control Decision Unit – Border Security Fencing, Infrastructure and Technology).
- (2) All but one of the performance targets in FY 2013 were met, an explanation for the missed target for 'Number of Apprehensions on the Southwest Border Between the Ports of Entry' is provided in Performance Summary Report, and the explanation for replacing the "Number of Apprehensions" measure with the measure, "Rate of interdiction effectiveness along the Southwest Border between ports of entry" is provided;

- (3) Methodology to establish performance targets is reasonable and consistently applied. Professional judgement was used in establishing performance measure targets based on subject matter experts with several years of experience in the field; and
- (4) Adequate performance measures exist for a significant portion of drug control activities. However, CBP has not established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports. Each existing performance measure considers the intended purpose of the National Drug Control Program Activity.

To address any questions you have regarding this submission, please contact me at (202) 344-2300, or a member of your staff may contact Mr. James McNally, Director, Investment Analysis Office, at (202) 344-1651.



Deborah J. Schilling

**U.S. Department of Homeland Security
U.S. Customs and Border Protection
Performance Summary Report
Fiscal Year (FY) 2013**

The performance measures presented below directly link to the 2013 *National Drug Control Strategy* by evaluating U.S. Customs and Border Protection (CBP) success in disrupting domestic drug trafficking. This Performance Summary Report (PSR) contains the performance measure aligned to drug control decision units as required by the Office of National Drug Control Policy (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The drug control decision units are as follows: (1) Salaries and Expenses, (2) Air and Marine Operations, (3) Automation Modernization, and (4) Border Security Fence, Infrastructure and Technology. Based on this PSR, the attached Management Assertions letter states that (1) the performance reporting system is appropriate and applied, (2) performance targets in FY 2013 were either met or an explanation for not meeting targets is included, (3) the methodology used to establish performance targets is reasonable and applied, and (4) adequate performance measures exist for all significant drug control activities although only three of the decision units have specifically associated measures.

Drug Control Decision Unit – Salaries and Expenses

Performance Measure – Office of Field Operations – Amount of currency seized on exit from the United States.

(1) Performance Measures

The performance measure “Amount of currency seized on exit from the United States” provides the total dollar amount of all currency, in millions, seized during outbound inspection of exiting passengers and vehicles, both privately-owned and commercial. The scope of this measure covers all ports of entry on both the southwest and northern borders and includes all modes of transportation (land, air, and sea). This measure assists in evaluating CBP’s success in disrupting domestic drug trafficking at the land border ports of entry, a key outcome for the National Drug Control Strategy.

Since this measure is based upon the seizure-related enforcement outcomes of CBP’s Outbound enforcement program, the measure provides an indicator of the success that CBP has in disrupting domestic drug trafficking at the land borders by stemming the flow of potential narcotics-related proceeds destined to criminal or transnational groups.

The CBP Office of Field Operations (OFO) conducts risk-based Outbound operations at land and air border ports of entry, enabling CBP to enforce U.S. laws and regulations applying to the Outbound arena, including, but not limited to, immigration and drug laws. The Outbound enforcement program is part of CBP’s effort to effectively monitor and control the flow of goods and people leaving the United States. The goal of CBP’s Outbound enforcement program is to keep the United States safe by preventing the illicit

export of goods- ranging from firearms to components of weapons of mass destruction- by individuals seeking to circumvent U.S. export control laws, recognizing that such goods could potentially fall into the hands of terrorists or criminal elements. The program also seeks to disrupt criminal elements and terrorist organizations by interdicting their proceeds and arresting members of their organizations.

A number of presidential strategies, including the President's National Export Initiative, the President's Export Control Reform Initiative, the National Drug Control Strategy, and the National Southwest Border Counter Narcotics Strategy, designate outbound enforcement as a crucial component on the war on drugs. The total currency seized upon exit from the United States in FY2013, which was in excess of \$36.9 million, is an indicator of CBP's success in disrupting domestic drug trafficking at the borders. These seizures of currency were potentially destined for criminal or transnational groups.

(2) Prior Years Performance Targets and Results

Fiscal Year:	FY 2009	FY2010	FY2011	FY 2012	FY2013
Target:	None	None	\$40.0M	\$35.0M	\$30.0M
Actual:	\$58.1M	\$47.37M	\$47.3M	\$31.9M	\$36.9M

Overall, since CBP instituted its risk-based Outbound enforcement strategy in FY 2009 and increased the overall level of Outbound enforcement activities, CBP has seen a decrease in currency seizures both in terms of absolute number of seizures and the average amount seized. The total amount seized at the ports of entry in FY 2013 increased over the level observed in FY 2012; this was due to a number of larger seizures that were the result of special operations set up in support of collaborative enforcement efforts with the Drug Enforcement Agency (DEA) and Immigration and Customs Enforcement (ICE) through Operation Toll Road, as well as working with other law enforcement agencies through the Border Enforcement Security Task Force (BEST).

(3) Current Year Performance Targets

Fiscal Year: FY 2014
Target: \$30.0M

Currently, CBP conducts limited Outbound enforcement operations, examining only departing goods and travelers identified as high-risk, based on CBP Officer assessment at the ports and/or automated systems alerts triggered by available data. Based upon this limited operational strategy and the deterrence effect associated with a new program (as described above), such operations should result in a decrease in the amount of currency seized as an expected outcome. Therefore, the performance target for FY 2014 is set at \$30.0M. If Outbound enforcement operations are maintained at the same level in FY 2014 and beyond, the expectation is that there will be additional deterrence effects upon illegal activities and that the target will be maintained at \$30.0M for FY 2015 and subsequent years.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. This measure is calculated from Outbound seizure-related enforcement action data entered into TECS (a computer-based tool used support CBP in its mission) by the CBP Officer at the time of occurrence of the violation. On a monthly basis, the summary data is compiled and extracted into the Operations Management Report (OMR) module in Border Stat, the CBP system of record for capturing and reporting on all enforcement and operational statistical data across its operational components. The monthly summary data is reviewed by OFO's Outbound Program Manager to verify accuracy and identify anomalies.

Drug Control Decision Unit – Air and Marine Operations

Performance Measure – Office of Air and Marine – Percentage of Joint Interagency Task Force-South (JIATF-S) annual mission hour objective achieved.

(1) Performance Measures

The Office of Air and Marine (OAM) conducts extended border operations to support a layered approach to homeland security. OAM applies assets in the source and transit zones through coordinated liaison with other U.S. agencies and international partners. The National Interdiction Command and Control Plan (NICCP) sets the overarching operational architecture for organizations involved in interdicting illicit drugs in keeping with the goals and objectives of the National Drug Control Strategy. OAM coordinates with the larger law enforcement and interdiction community through its partnership with Joint Interagency Task Force-South. JIATF-S is the tasking coordinator and controller for counter-drug missions within the transit and source zones. JIATF-S submits its resource allocation requirements through the NICCP. The Department of Homeland Security (DHS) responds to the requirements in a Statement of Intent. OAM typically supports JIATF-S requests with P-3 Airborne Early Warning (AEW) and P-3 Long-Range Tracker (LRT) aircraft but has also supported JIATF-S with other aircraft, including its DHC-8 and C12M fixed-wing, medium-range aircraft, Black Hawk rotary-wing aircraft, and unmanned aircraft systems (UAS).

As a result of the August 19, 2003, Presidential Determination Regarding U.S. Assistance to the Government of Colombia Airbridge Denial Program, OAM began receiving funding in FY 2005 to support JIATF-S as part of its base budget.

The performance measure “Percentage of Joint Interagency Task-Force South Annual Mission Hour Objective” identifies the degree to which OAM meets its intended flight hours for JIATF-S in support of the National Drug Control Strategy.

(2) Prior Years Performance Targets and Results

The Percentage of JIATF-S Annual Mission Hour Objective Achieved was initially introduced as a measure in FY 2011.

Fiscal Year:	FY 2009	FY2010	FY2011	FY 2012	FY2013
Target:	None	None	100%	100%	100%
Actual:	None	None	100%	100%	100%

While the performance measure was new in FY 2011, OAM did track actual flight hours flown in support of JIATF-S in prior fiscal years. The actual flight hours for FY 2009 and FY 2010 are available, but a percentage cannot be provided for those years since the performance measure did not exist and there was no target for calculating the percentage.

In the NICCP, dated March 17, 2010, JIATF-S forecasted its FY 2011 support requirements for a range of aircraft. In its annual Statement of Intent, DHS responds to the requirements in the NICCP. The FY 2013 DHS Statement of Intent included CBP's objective to provide 5,000 flight hours for detection and monitoring activities with P-3 AEW and P-3 LRT aircraft in support of JIATF-S operations. OAM exceeded the goal of 5,000 hours for FY 2013, flying a total of 6,200.1 hours with its P-3 (6,043.7 hours), UAS (116.3 hours), DHC-8 (35.8 hours), and AS-350 (4.3 hours) aircraft.

(3) Current Year Performance Targets

Fiscal Year: 2014

Target: Provide 100 percent of the 5,050 hours of JIATF-S support budgeted for the transit zone.

On October 29, 2013, OAM submitted its input for the FY 2014 DHS Statement of Intent to the DHS Office of Policy, via the Homeland Secured Data Network. This input was based on current anticipated budgets and planning estimates involving maritime patrol aircraft flight hours in the transit zone.

The FY 2014 DHS Statement of Intent included CBP's objective to provide 5,050 flight hours for JIATF-S with its P-3 and UAS.

(4) Quality of Performance Data

The data underlying this measure is accurate, complete and unbiased. OAM P-3 flight data is recorded using a Post Flight Record Form (CBPAVP-051-2 RI 26 July 2004). The flight data entry is then validated against the Computerized Aircraft Reporting and Material Control (CARMAC) System, which is utilized by aircraft maintenance personnel to track flight time accrued on the aircraft. The flight data is then checked monthly against the Air and Marine Operations Report (AMOR) module of the TECS system, as well as the Tasking, Operations, and Management Information System (TOMIS).

Drug Control Decision Unit – Automation Modernization

Performance Measure – No performance measure is currently associated with this drug control decision unit.

Drug Control Decision Unit – Border Security Fencing, Infrastructure and Technology

Performance Measure – Office of Border Patrol - Number of apprehensions on the Southwest Border between the ports of entry.

(1) Performance Measures

The Office of Border Patrol, (OBP), works to mitigate all threats – terrorists and weapons of terrorism, smuggling of narcotics, other contraband and people, and the illegal entry of people at the border. Border Patrol agents prepare for, detect, and intercept any and all combinations of these threats that present themselves along the borders. The enforcement advantage gained from fencing, other infrastructure, and technology, such as sensors and cameras, allows agents to more effectively and efficiently perform their duties to detect, identify, and intercept threats.

The measure “Number of apprehensions on the Southwest Border between the ports of entry” assists in gauging CBP’s success in addressing areas of greatest risk, including areas that experience narcotics smuggling, along our Nation’s borders. The measure targets an overall reduction in the number of apprehensions along the Southwest border from historic levels. Although many factors, including enforcement, the economy, and natural disasters, can contribute to the ebbs and flows of apprehensions, a key change in CBP’s enforcement posture over the past several years since 9/11 has been a healthy build-up in resources and capabilities, including fencing, infrastructure and technology. This vastly improved enforcement posture has coincided with an overall decrease in apprehensions since 2005. Funds and resources provided in 2010 created an even stronger enforcement environment for 2011, as noted in the 2011 National Drug Control Strategy.

Decreases in apprehensions from the high numbers in 2005 (1,171,396 apprehensions in 2005 versus 414,397 in FY13) has resulted in less illegal alien volume across the border, allowing agents to devote more time to other law enforcement efforts and techniques, including the detection and interdiction of narcotics. The Border Patrol strives to keep apprehensions at low levels, to allow for better mitigation of other threats, such as the entry of illegal drugs into our country. During FY13, the Border Patrol seized 2,428,419 pounds of marijuana along the Southwest border, more than double the 1,194,427 pounds seized in 2005 along the Southwest border.

(2) Prior Years Performance Targets and Results

This performance measure was initially introduced as a DHS strategic measure in FY 2011.

Fiscal Year:	FY 2009	FY2010	FY2011	FY 2012	FY2013
Target:	None	None	< =390,000	< =371,000	< =391,000
Actual:	540,865	447,731	327,577	356,873	414,397

CBP failed to meet the target for this performance measure. The Border Patrol made 414,397 apprehensions on the Southwest border between ports of entry in FY13. This remains low compared with 2005 when there were 1,171,396 apprehensions on the Southwest border, but represents an increase of 16% over FY12. A combination of factors influenced the rise, including improvement in the U.S. economy, an increase in attempts by persons from countries other than Mexico due to U.S./foreign economic factors and emigration/immigration dynamics from sending/transit countries, and possible change in attempts due to perceptions surrounding immigration reform legislation. This measure was introduced in FY10 to gauge short-term impacts of enforcement improvements in Arizona, where apprehensions had been high: the improvements in enforcement posture did indeed correlate with decreases in apprehensions at that time. Due to its short-term focus, however, OBP will retire this measure in FY13, in favor of a new measure for FY14, the Interdiction Effectiveness Rate, which evaluates the Border Patrol's ability to apprehend or turn back would-be illegal entrants.

(3) Current Year Performance Targets

Fiscal Year: FY 2014

Target: New measure: Interdiction Effectiveness rate: target \geq 77 percent

As the Border Patrol transitions away from targeting the number of apprehensions on the Southwest border, it is focusing instead on the percentage of known entries that are apprehended or turned back to Mexico. The proposed new measure is called, "Rate of interdiction effectiveness along the Southwest Border between ports of entry", or the Interdiction Effectiveness rate. The Border Patrol achieves this desired strategic outcome by maximizing the apprehension of detected illegal entrants or confirming that illegal entrants return to the country from which they entered and by minimizing the number of persons who evade apprehension and can no longer be pursued. CBP will work with ONDCP to replace the current measure with this new performance measure and target.

(5) Quality of Performance Data

Results for the measure "Number of apprehensions on the Southwest Border between the ports of entry" include all apprehensions of deportable illegal aliens made by the Border Patrol within the nine sectors of the Southwest border. Apprehension data is entered into a database, the e3 (Enforce, next generation) Processing application, by Border Patrol Agents at the station level. All data entered via e3 resides in the Enforcement Integrated Database (EID) system, the official system of record for this data. Data input can be made by the apprehending agent, or by another agent who obtains details concerning the apprehension from the apprehending agent. All apprehension data entered into e3 Processing is subject to review by supervisors at multiple levels. Data reliability tools are built into the system. For example, data input not conforming to appropriate expectations for each cell is flagged for re-entry. The EID continuously updates to compile all apprehension data. At the Headquarters level, the Statistics and Data Integrity Unit

conducts monthly Data Quality reports as well as weekly miscellaneous checks. When discrepancies are found, they are referred back to the apprehending Sector/Station for review and correction.

Targets and results for the “Rate of interdiction effectiveness along the Southwest Border between ports of entry” measure are based on data collected on all apprehensions, “turnbacks”, and “gotaways”. Apprehensions are defined as, “a deportable subject who, after making an illegal entry, is taken into custody and receives a consequence.” “Gotaways” are defined as, “A subject who, after making an illegal entry, is not turned back or apprehended and is no longer being actively pursued by Border Patrol agents.” “Turnbacks” are defined as, “A subject who, after making an illegal entry into the US, returns to the country from which he/she entered, not resulting in an apprehension or gotaway.” Apprehension, gotaway, and turnback data is captured by Border Patrol agents at the station level and entered into the following systems. Apprehensions are entered into the e3 Processing (e3) system. All data entered via e3 resides in the Enforcement Integrated Database (EID), the official system of record for this data. “Gotaways” and “turnbacks” are entered into the CBP Enforcement Tracking System 1 (BPETS1).



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Appendix A
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