

OFFICE OF INSPECTOR GENERAL

**Review of U.S.
Immigration and Customs
Enforcement's
FY 2014 Drug Control
Performance Summary
Report**



Homeland
Security

**January 23, 2015
OIG-15-23**



HIGHLIGHTS

Review of U.S. Immigration and Customs Enforcement's FY 2014 Drug Control Performance Summary Report

January 23, 2015

Why We Did This

The Office of National Drug Control Policy's (ONDCP) circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit to the ONDCP Director, not later than February 1 of each year, a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year. The Office of Inspector General (OIG) is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report.

For Further Information:

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

What We Found

KPMG LLP, under contract with the Department of Homeland Security OIG, issued an Independent Accountants' Report on the U.S. Immigration and Customs Enforcement's (ICE) fiscal year (FY) 2014 Drug Control Performance Summary Report. ICE management prepared the Performance Summary Report and related disclosures to comply with the requirements of ONDCP's circular, *Accounting of Drug Control Funding and Performance Summary* (Circular), dated January 18, 2013. Based on its review, nothing came to KPMG LLP's attention that caused it to believe that the Performance Summary Report for the year ended September 30, 2014, is not presented, in all material respects, in conformity with the criteria in the ONDCP Circular. KPMG LLP did not make any recommendations as a result of its review.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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

JAN 23 2015

TO: Radha C. Sekar
Executive Associate Director Management and Administration
U.S. Immigration and Customs Enforcement

FROM: Mark Bell 
Assistant Inspector General for Audits

SUBJECT: *Review of U.S. Immigration and Customs Enforcement's FY 2014
Drug Control Performance Summary Report
Report Number OIG-15-23*

Attached for your information is our final report, *Review of U.S. Immigration and Customs Enforcement's FY 2014 Drug Control Performance Summary Report*. U.S. Immigration and Customs Enforcement (ICE) management prepared the Performance Summary Report and related disclosures to comply with the requirements of the Office of National Drug Control Policy's circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013.

We contracted with the independent public accounting firm, KPMG LLP (KPMG), to review ICE's Drug Control Performance Summary Report. KPMG is responsible for the attached Independent Accountants' Report of its review, dated January 20, 2015, and the conclusions expressed in it. KPMG's report contains no recommendations. We do not express an opinion on ICE's Drug Control Performance Summary Report.

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 Don Bumgardner, 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

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, 2014. 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 Funding 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, 2014, referred to above, is not presented, in all material respects, in conformity with the 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

January 20, 2015

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**

January 20, 2015

Mr. Mark Bell
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 Mr. Bell,

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 2014 drug performance metrics and targets.

If you require further assistance on this information, please contact Matthew Moden at (202) 732-4398.

Sincerely,

Handwritten signature of Sabrina Jones in blue ink.

Sabrina Jones

Acting 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 2014
International Operations**

Metric 1: Percentage of Overseas Investigative Hours Spent on Drug-Related Cases.

Fiscal Year	Target	Actual
2010	4.00%	4.90%
2011	4.50%	6.30%
2012	5.00%	6.30%
2013	6.30%	8.11%
2014	6.90%	8.32%
2015	7.58%	

(1) Description

The outcome metric for International Operations 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.

ICE's Homeland Security Investigations (HSI) International Operations 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 Operations' investigative resources are directed at organizations smuggling contraband (including narcotics) into the United States. International Operations also partners with domestic ICE components and with U.S. law enforcement agencies overseas to leverage overseas resources mitigating global narcotics threats to the United States. 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 Operations. 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 HSI Transparency/Results/Accountability/Knowledge (TRAK), ICE TRAK, programmatic monitoring, financial monitoring and quarterly expenditure report

HSI releases the attached information with the understanding that the requestor will only utilize such information for the purpose stated in the request. Prior to using the information for any other purpose, or release to a third party, the requestor should inform and seek approval from HSI.

(2) Actual Performance Results for FY 2014

In FY 2014, 8.32% of overseas investigative case hours were spent on drug-related cases, exceeding the target of 6.90%. 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. To calculate a dollar amount, this percentage is applied to actual obligations incurred by HSI against budget authority gain in FY 2014, excluding reimbursable authority.

3) The Performance target for FY 2015

The performance target for FY 2015 is 7.58%, a target based on the average three prior years' performance results. In establishing this metric, International Operations 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 HSI International Operations performance data is the Treasury Enforcement Communication System (TECS), which is ICE's automated case management system that records investigative hours. International Operations relies on TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance. ICE conducts quality control verification on all data received through TECS to ensure the performance data is accurate, complete, and unbiased in presentation and substance.

Performance Summary Report of Drug Control Funds during FY 2014 Intelligence

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

Fiscal Year	Target	Actual
2010	1,200	338
2011	796	2,721
2012	3,500	552
2013	560	656
2014	656	686
2015	686	

HSI releases the attached information with the understanding that the requestor will only utilize such information for the purpose stated in the request. Prior to using the information for any other purpose, or release to a third party, the requestor should inform and seek approval from HSI.

(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) 2014, the ICE Intelligence Program (to include HSI-Intel at headquarters (HQ) and the Special Agent in Charge (SAC) Intelligence Programs in the field) produced a total of four hundred and seventy-four (474) IIR products that were 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 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) 2014, the ICE Intelligence Program (to include HSI-Intel at HQs and the SAC Intelligence Programs in the field) produced a total of two hundred and twelve (212) AFI products that were counter-narcotics related.

(2) Actual performance results for FY 2014

In FY 2014, the ICE Intelligence Program, to include HSI-Intel at HQs and the SAC Intelligence Program in the field, produced a total of six hundred eighty-six (686) counter-narcotic related products. A total of four hundred seventy-four (474) were IIR counter-narcotic INTEL products and a total of two hundred and twelve (212) were AFI counter-narcotic INTEL products. As of FY 2014, HSI Intelligence Program has **cumulatively** produced a total of six hundred twenty-two (686) counter-narcotic products, therefore exceeding the six hundred fifty-six (656) targeted measure.

HSI releases the attached information with the understanding that the requestor will only utilize such information for the purpose stated in the request. Prior to using the information for any other purpose, or release to a third party, the requestor should inform and seek approval from HSI.

(3) Performance target for FY 2015

The performance target for FY 2015 is six hundred and eighty-six (686) counter-narcotics intelligence requests satisfied. The target is based on the prior year actual data. The AFI HSI Intelligence Program data team is working to expand the user community of AFI to all DHS components. By expanding the use of AFI agency-wide it is anticipated that the counter-narcotic products reported in AFI will continue to increase each year. 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 TECS, IIR and the AFI data to ensure the performance data is accurate and unbiased in presentation and substance. Furthermore, ICE Intelligence is implementing Meta data items to AFI that will group data distinctly into either HSI Domestic or HSI International increasing the accuracy of the data provided.

Performance Summary Report of Drug Control Funds during FY 2014 Domestic Investigations

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

Fiscal Year	Target	Actual
2012	16.0%	18.0%
2013	18.0%	31.8%
2014	19.0%	42.24%
2015	36.7%	

(1) Description

ICE coordinated with the 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

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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.

As 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 ONDCP Circular: Accounting of Drug Control Funding and Performance Summary, Section 7.a.(2), dated January 18, 2013.

(2) Actual performance results for FY 2014

In FY 2014, the actual percentage for the reportable Government Performance and Results Act (GPRA) metric is 42.24%; therefore exceeding the GPRA target of 19.0%. Due to more effective communication of the importance of the metric throughout the organization, HSI agents began entering their congruent disruption and/or dismantlement into TECS from their HQ approved significant investigations (from the reformed SCR module inputted into TECS). The influx of the disruption and/or dismantlement entries caused a significant spike in the FY 2014 actual results.

(3) Performance target for FY 2015

The performance target for FY 2015 is 36.7%. Planning for responses to future criminal trends, while critical in assessing risk and threats, is difficult due to the inherent challenge of predicting future criminal activity. This makes the establishment of performance targets for enforcement statistics extremely difficult. Due to the high number of unknown variables, the following performance targets were created using historical trends assuming the patterns will continue in the near future. The following performance measures for Homeland Security Investigations for fiscal year 2015 were calculated using actual historical significant investigation performance results since program inception (fiscal year 2011) using the following methodology:

- 1) The number of cases with repeat occurrences (this represents cases with disruptions and a dismantlement) is divided by the number of unique case identifiers (representing the number of initial significant cases opened) to get an approximate estimate of the percentage of significant cases that have resulted in either a disruption or a dismantlement. However, since not all such cases will have been approved at any one time, the result of this first step is multiplied by the significant case approval ratio calculated below in step 2.
- 2) The significant case approval ratio is calculated by dividing the number of vetted and approved significant case submissions (including all disruptions and dismantlements) by the number of vetted

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significant investigations. By multiplying steps 1 and 2, the percentage of significant cases that have been initiated that have resulted in either a Disruption or a Dismantlement is determined. By using the approval ratio HSI quantitatively accounts for both the quantity and quality that speaks to the validity of the submissions.

(4) Quality of performance data

The database used to validate Domestic Investigations performance data is TECS. Domestic Investigations relies on TECS 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

Fiscal Year	Target	Actual
2012	11.0%	12.0%
2013	12.0%	42.6%
2014	44.0%	45.0%
2015	29.0%	

(1) Description

ICE coordinated with 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 Office of Management and Budget. 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.

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As 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 2014

In FY 2014, 45.0% of significant high-risk counter-narcotic, illicit trade, travel and finance investigations resulted in a disruption or dismantlement. Therefore exceeding the FY 2014 target of 44.0%.

(3) Performance target for FY 2015

The performance target for FY 2015 is 29.0%. The target is based upon the Future Year Homeland Security Program (FYHSP) requirements. 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 TECS. Domestic Investigations relies on TECS 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 TECS to ensure the performance data are accurate, complete, and unbiased in presentation and substance. ICE conducted the implemented verification and validation with an independent auditor, for the above metric to ensure the quality of the metric. The metric was evaluated on a 12 criteria score to ensure the reliability of and validity of the performance measure. The Independent Review Team had no recommendations to improve the metric and yielded the measure was aligned with the DHS strategic goals and objectives.

ICE Management Assertion Report

Management Assertions

1. Performance reporting system is appropriate and applied.

ICE uses TECS, IIR and AFI investigative and intelligence case tracking systems of record to capture performance information. 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 2014 performance period.

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2. Explanations for not meeting performance targets are reasonable.

In FY 2014, 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 2014 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.

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
\$47.2M	\$53.7M	\$39.8M	\$41.4M	\$46.2M

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

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
\$115.2 M	\$232.4 M	\$155.7 M	\$1.05 B	\$192.7M

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

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
60%	54%	49%	46%	44%

Statistic 4: Percentage of heroin seizures considered high impact.

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
71%	68%	54%	52%	47%

Statistic 5: Percentage of marijuana seizures considered high impact.

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
57%	48%	43%	36%	35%

Statistic 6: Percentage of methamphetamine seizures considered high impact.

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
56%	65%	63%	61%	62%

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