



# Department of Homeland Security Office of Inspector General

## DHS Risk Assessment Efforts in the Dams Sector



Office of Inspector General

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

SEP 15 2011

### Preface

The Department of Homeland Security (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.

This report addresses the strengths and weaknesses of the Office of Infrastructure Protection's efforts to assess risk to critical infrastructure under a voluntary framework. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendation herein has been developed to the best knowledge available to our office, and has been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Anne L. Richards".

Anne L. Richards

Assistant Inspector General for Audits























## Appendix B

### Management Comments to the Draft Report

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Federal, State, local, tribal, and territorial partners in their assessments as requested, and conducting risk analysis on the sector as a whole. The SSA also provides valuable tools to the private sector owners and operators to allow them to do their own facility-level assessments.

Second, the OIG report is based on the facilities identified as critical through the Fiscal Year (FY) 2009 National Critical Infrastructure Prioritization Program (NCIPP) data call. The NCIPP criteria were significantly refined after FY 2009. Consequently, the total number of dams deemed critical has decreased, and the percentages of assets assessed by NPPD/IP have increased.

Third, a number of different agencies at the Federal and State levels of government oversee the safety and security of dams. Considering the most recent data, most (approximately 80 percent) of critical dam assets in the FY 2011 NCIPP list are owned, operated, and/or regulated by Federal agencies, such as the U.S. Army Corps of Engineers, U.S. Bureau of Reclamation, U.S. International Boundary and Water Commission, Tennessee Valley Authority, and Federal Energy Regulatory Commission. These agencies have robust programs for identifying critical assets, completing facility-level security risk assessments, determining the necessary level of protection, implementing security programs, and/or assessing performance. The remaining assets in the FY 2011 NCIPP list fall under the jurisdiction of State agencies which, in most cases, have regulatory responsibility over dam safety issues. The robustness of the dam security programs implemented by these State regulatory agencies is directly influenced by their level of authority and available resources, which is quite varied.

Fourth, DHS and SSA engagement with the Dams Sector is conducted in a voluntary framework—there is no associated enforcement authority. Within this voluntary framework, we believe it is important to work as partners with our stakeholders. NPPD/IP presents the voluntary implementation of options for consideration to owners and operators as a business case, illustrating the benefits such improvements would have for operations of that facility, rather than providing top down management as an organization with regulatory authority might do. NPPD/IP is currently expanding and refining a new voluntary program to follow up on actions taken after our assessments. So far, the program is well received by the Dams Sector.

#### **OIG Recommendation**

The OIG recommended that the Assistant Secretary, Office of Infrastructure Protection, determine the appropriateness of a legislative proposal to establish regulatory authority for the critical Dams Sector assets similar to the Chemical Sector. The OIG clarified that such regulatory authority would grant DHS personnel authority to review risk assessments, conduct inspections when assessments are deficient, and make recommendations for corrective actions. NPPD/IP concurs with the recommendation to determine the appropriateness of a legislative proposal, and we are beginning work and research to make that determination and a subsequent recommendation.

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As part of the continuous review of the effectiveness of the partnership framework, this analysis will provide insight into new programs and refinements of current initiatives needed to address any critical gaps. NPPD/IP will coordinate with internal DHS stakeholders, including the Offices of General Counsel and Legislative Affairs, and representatives from Federal and State agencies currently responsible for the regulation of critical Dams Sector assets as part of its analysis of the appropriateness of a legislative proposal.

Again, we thank you for the opportunity to review and provide comment on this draft report, and look forward to working with you on future homeland security engagements.

Sincerely,



Rand Beers  
Under Secretary

Attachments

- 1) Sensitivity Review
- 2) Technical comments

**Appendix C**  
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