

**DEPARTMENT OF HOMELAND SECURITY**

**Office of Inspector General**



**FISCAL YEAR 2006**

**ANNUAL PERFORMANCE PLAN**

**(REVISED APRIL 2006)**

# **The Department of Homeland Security**

## **Office of Inspector General**

### **Fiscal Year 2006 Annual Performance Plan**

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The Government Performance and Results Act (GPRA) of 1993, Public Law 103-62, requires agencies to submit to the Office of Management and Budget (OMB) an annual performance plan covering each program activity in the agency's budget. The annual performance plan is to provide the direct linkage between the strategic goals outlined in the agency's strategic plan and what managers and employees do day-to-day. The plan is to contain the annual performance goals the agency will use to gauge its progress toward accomplishing its strategic goals and identify the performance measures the agency will use to assess its progress.

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## A Message From the Inspector General

I am pleased to present the revised *Fiscal Year 2006 Annual Performance Plan* for the Department of Homeland Security's (DHS) Office of Inspector General (OIG). This revised plan outlines the projects that we intend to work on during the second half of the fiscal year (FY), to evaluate the department's programs and operations. The revised plan also reflects the reports that we issued during the first six months of FY 2006, as well as the projects that we have cancelled, or deferred until FY 2007.

In developing the plan, we attempted to address the interests and concerns of DHS senior management officials, the Congress, and the Office of Management and Budget (OMB). We focused on our core mission of conducting independent and objective inspections, audits, and investigations to promote economy, efficiency, and effectiveness in the department's programs and operations, and to prevent and detect fraud, waste, abuse, and mismanagement.



Richard L. Skinner  
Inspector General

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## **Chapter 1 - OIG Mission and Responsibilities**

*The Homeland Security Act of 2002* provided for the establishment of an OIG to ensure independent and objective audits, inspections, and investigations of the operations of the DHS.

An IG, who is appointed by the President and confirmed by the Senate, reports directly to both the Secretary of DHS and the Congress. Barring narrow and exceptional circumstances, the IG may inspect, audit, or investigate anyone in the department, or any program or operation of the department. To ensure the IG's independence and objectivity, the OIG has its own budget, contracting, and personnel authority, separate from that of the department. Such authority enhances the OIG's ability to promote economy, efficiency, and effectiveness within the department, and to prevent and detect fraud, waste, and abuse in the department's programs and operations.

### **Specifically, the OIG's key legislated responsibilities are to:**

- Promote economy, efficiency, and effectiveness in the management of the department's programs and supporting operations;
- Conduct and supervise audits, investigations, and reviews relating to the Agency's programs and support operations;
- Detect and prevent fraud, waste, and abuse;
- Review existing and proposed legislation and regulations and make appropriate recommendations;
- Maintain effective working relationships with other federal, state, and local governmental agencies, and non-governmental entities regarding the mandated duties of the IG;
- Inform the Secretary of the DHS and the Congress of serious problems and recommend corrective actions and implementation measures;
- Comply with the audit standards of the Comptroller General of the Government Accountability Office (GAO); avoid duplication of GAO activities; and
- Report violations of federal criminal law to the U.S. Attorney General.

## Chapter 2 - OIG Organizational Structure

The OIG consists of the following components:

**Executive Office:** This office consists of the Inspector General, the Deputy IG, Executive Assistant, a Congressional Liaison and Media Affairs Officer, and support staff. It provides executive leadership to the OIG with eight full-time equivalent (FTE) employees.

**Office of Counsel to the Inspector General:** The Office of Counsel to the IG provides legal advice to the IG; supports audits, inspections, and investigations by ensuring that applicable laws and regulations are followed; is the OIG's designated ethics office; manages the OIG's *Freedom of Information Act* and *Privacy Act* responsibilities; and furnishes attorney services for the issuance and enforcement of OIG subpoenas, *False Claims Act* and *Civil Monetary Penalty Act* claims, as well as suspension and debarment actions. The office has twelve FTE.

**Office of Audits:** The Office of Audits conducts and coordinates audits and program evaluations of the management and financial operations of DHS. Auditors examine the methods employed by agencies, bureaus, grantees, and contractors in carrying out essential programs or activities. Audits evaluate whether established goals and objectives are achieved and resources are used economically and efficiently; whether intended and realized results are consistent with laws, regulations, and good business practice; and whether financial accountability and the reliability of financial statements are ensured. The office has 215 FTE. Of the 215 FTE, approximately 50 are currently detailed to the Office of Gulf Coast Hurricane Recovery.

**Office of Gulf Coast Hurricane Recovery:** The Office of Gulf Coast Hurricane Recovery works to ensure accountability and to prevent problems before they occur. The focus is weighted heavily toward prevention, including reviewing internal controls; and monitoring and advising department officials on contracts, grants, and purchase transactions before they are approved. The office also meets with applicants, contractors, and grantees to advise them of the requirements and assess their capability to account for the funds. In addition, the office also is responsible for providing an aggressive and ongoing audit and investigative effort designed to ensure that disaster relief funds are being spent wisely, while identifying waste, fraud, and abuse as early as possible. Approximately 100 permanent and temporary employees will be dedicated to Gulf Coast Hurricane Recovery operations during FY 2006.

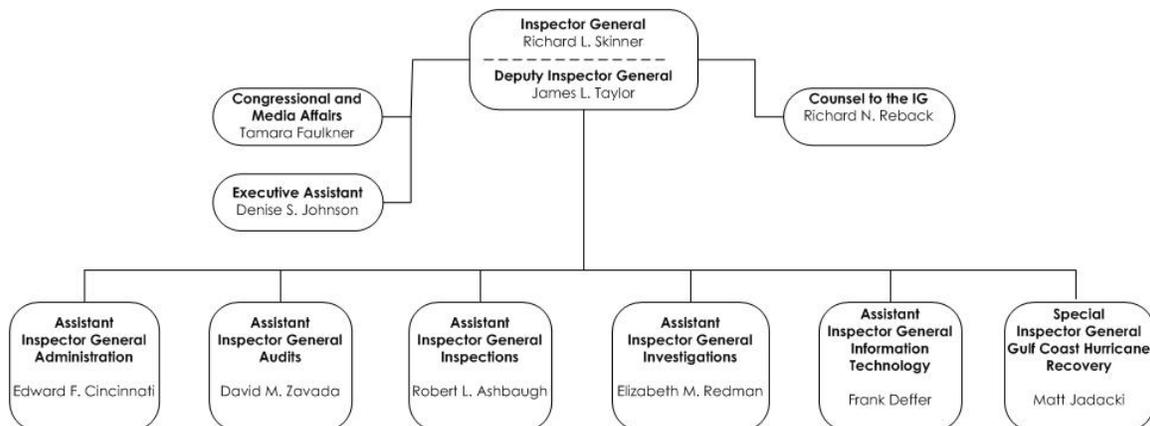
**Office of Inspections and Special Reviews:** The Office of Inspections and Special Reviews compliments the work of the OIG by providing quick and less structured reviews of those DHS programs and operations that are of pressing interest to department managers, the Congress, or the IG. This office has 41 FTE.

**Office of Information Technology:** The Office of Information Technology conducts audits and evaluations of DHS’ information management, cyber infrastructure, and systems integration activities. The office reviews the cost effectiveness of acquisitions, implementation, and management of major systems, and telecommunications networks across DHS. In addition, it evaluates the systems and related architectures of DHS to ensure they are effective, efficient, and operated according to applicable policies, standards, and procedures. The office also assesses DHS’ information security program as mandated by the *Federal Information Security Management Act (FISMA)*. This office has 42 FTE.

**Office of Investigations:** The Office of Investigations conducts investigations into allegations of criminal, civil, and administrative misconduct involving DHS employees, contractors, and grantees. This office examines specific allegations, reports, or other information indicating possible violations of laws or regulations. Additionally, it supervises the investigative activity of the department’s various internal affairs offices. This office has 189 FTE, approximately 20 of whom are dedicated to the work generated by Hurricanes Katrina and Rita.

**Office of Administration:** The Office of Administration provides critical administrative support functions, including OIG strategic planning; development and implementation of administrative directives; the OIG’s information and office automation systems; budget formulation and execution; and oversight of the personnel, procurement, travel, and accounting services provided to the OIG, on a reimbursable basis, by the Bureau of Public Debt. The office also prepares the OIG’s annual performance plans and the Semiannual Reports to the Congress. This office has 34 FTE.

### Department of Homeland Security Office of Inspector General Management Team



## Chapter 3 - FY 2006 Planning Approach

The Annual Performance Plan is the OIG's "roadmap" for the inspections and audits that it plans to conduct each year to evaluate department programs and operations. In devising the plan, OIG endeavors to assess the department's progress in meeting what it considers to be DHS' major management challenges.

This plan describes more projects than may be completed in FY 2006, especially since developments and requests from DHS management and the Congress during the year will necessitate some projects that cannot be anticipated. Resource issues too may require changes to the plan in some way as the year progresses. The plan includes projects that were initiated, but not completed during FY 2005. Finally, the plan also contemplates that some jobs will start during FY 2006, but will carry over into FY 2007.

In establishing priorities, the OIG placed particular emphasis on legislative mandates, such as the *Chief Financial Officers Act* and the FISMA, DHS' strategic goals, the President's Management Agenda, the Secretary's priorities, congressional priorities, and the most serious management challenges facing DHS.

DHS' strategic objectives include:

- Prevent terrorism within the United States
  - Intelligence and Warning
  - Border and Transportation Security
  - Domestic Counterterrorism
- Reduce vulnerability of the United States to terrorism
  - Protecting Critical Infrastructure and Key Assets
  - Defending against Catastrophic Threats
- Minimize damage and assist in the recovery from terrorist attacks that do occur in the United States
  - Emergency Preparedness and Response
- Carry-out non-homeland security functions

The President's Management Agenda addresses the following:

- Strategic Management of Human Capital
- Competitive Sourcing
- Improved Financial Performance
- Expanded Electronic Government
- Budget and Performance Integration
- Eliminating Improper Payments
- Real Property

In the FY 2006 report of management challenges, included in the DHS FY 2005 *Performance and Accountability Report*, the OIG identified the following as the most serious management challenges facing DHS:

- Disaster Response and Recovery
- Consolidating the department's components
- Contract Management
- Grants Management
- Financial Management
- Human Capital Management
- Integration of Information Systems
- Security of Information Technology (IT) Infrastructure
- Infrastructure Threat Assessment
- Border Security
- Transportation Security
- Trade Operations and Security

In addition, keeping with the priorities of both the Secretary and the Congress, the OIG will focus attention on DHS' "non-homeland" missions. Particular attention will be given to the Coast's Guard's "non-homeland" mission, as mandated by the *Homeland Security Act*, and to disaster response and recovery activities.

These programs and functions are not an all-inclusive inventory of the department's activities. Rather, they represent those activities that are the core of the department's mission and strategic objectives. By answering certain fundamental questions within each of these program and functional areas, the OIG will determine how well the department is performing and will be able to recommend ways to improve the efficacy of the department's programs and operations.

The OIG will strive to have a consultative and collaborative working relationship with senior management of the department while at the same time providing, where such criticism is warranted by the facts, constructive and objective criticism of the department's programs and operations.

## Chapter 4 - Allocation of Resources

The *Department of Homeland Security Appropriations Act, 2006*, provides the DHS OIG with total budget authority of \$82,187,000 and a total of 540 FTE.

### STANDARD CLASSIFICATION SCHEDULE

#### Direct Obligations

(Dollars in Thousands)

| Object Classification                    |  | FY2005           | FY2006            | FY2006           |
|--|--|------------------|-------------------|------------------|
|  |  | Actual           | Revised Enacted   | Change           |
| 11.1                                     | Perm Positions                             | \$ 39,110        | \$ 44,598         | \$ 5,488         |
| 11.3                                     | Other than perm                            | \$ 259           | \$ 1,851          | \$ 1,592         |
| 11.5                                     | Other per comp                             | \$ 3,422         | \$ 4,892          | \$ 1,470         |
| 11.8                                     | Spec Srvc Pay                              | \$ -             | \$ -              | \$ -             |
| 12.1                                     | Benefits                                   | \$ 13,239        | \$ 14,814         | \$ 1,575         |
| 13.0                                     | Benefits-former                            | \$ -             | \$ -              | \$ -             |
| <b>Total, pers. comp. &amp; benefits</b> |  | <b>\$ 56,030</b> | <b>\$ 66,155</b>  | <b>\$ 10,125</b> |
| 21.0                                     | Travel                                     | \$ 4,063         | \$ 7,084          | \$ 3,021         |
| 22.0                                     | Transportation of things                   | \$ 177           | \$ 76             | \$ (101)         |
| 23.1                                     | GSA rent                                   | \$ 4,777         | \$ 7,426          | \$ 2,649         |
| 23.2                                     | Other rent                                 | \$ 1,547         | \$ 613            | \$ (934)         |
| 23.3                                     | Communication, Utilities, and misc charges | \$ 2,537         | \$ 3,074          | \$ 537           |
| 24.0                                     | Printing                                   | \$ 19            | \$ 70             | \$ 51            |
| 25.1                                     | Advisory & Assistance Services             | \$ 3,132         | \$ 4,434          | \$ 1,302         |
| 25.2                                     | Other Services                             | \$ 839           | \$ 1,695          | \$ 856           |
| 25.3                                     | Purchase from Govt. Accts.                 | \$ 5,275         | \$ 5,864          | \$ 589           |
| 25.4                                     | Operation & maintenance of facilities      | \$ -             | \$ -              | \$ -             |
| 25.5                                     | Research & Development                     | \$ -             | \$ -              | \$ -             |
| 25.6                                     | Medical care                               | \$ -             | \$ -              | \$ -             |
| 25.7                                     | Operation & maintenance of equipment       | \$ 162           | \$ 313            | \$ 151           |
| 25.8                                     | Subsistence & Support of persons           | \$ -             | \$ -              | \$ -             |
| 26.0                                     | Supplies & materials                       | \$ 708           | \$ 795            | \$ 87            |
| 31.0                                     | Equipment                                  | \$ 3,013         | \$ 3,576          | \$ 563           |
| 32.0                                     | Land & Structures                          | \$ 4,458         | \$ 302            | \$ (4,156)       |
| 41.0                                     | Grants/Subsidies/Contributions             | \$ -             | \$ -              | \$ -             |
| 42.0                                     | Indemnity                                  | \$ 18            | \$ -              | \$ (18)          |
| 43.0                                     | Interest and Dividends                     | \$ -             | \$ -              | \$ -             |
| 44.0                                     | Refunds                                    | \$ -             | \$ -              | \$ -             |
| 91.0                                     | Unvouchered                                | \$ 61            | \$ 100            | \$ 39            |
| 99.0                                     | Other                                      |                  |                   | \$ -             |
| <b>Total, other objects</b>              |  | <b>\$ 30,786</b> | <b>\$ 35,422</b>  | <b>\$ 4,636</b>  |
| <b>Total Direct Obligations</b>          |  | <b>\$ 86,816</b> | <b>\$ 101,577</b> | <b>\$ 14,761</b> |
|  | Unobligated balance, start of year         | \$ (7,708)       | \$ (18,990)       |                  |
|  | Recoveries                                 | \$ (989)         | \$ (400)          |                  |
|  | Transfer                                   | \$ (15,000)      |                   |                  |
|  | Unobligated balance, end of year           | \$ 18,990        | \$ -              |                  |
| <b>Total Requirements</b>                |  | <b>\$ 82,109</b> | <b>\$ 82,187</b>  | <b>78</b>        |

## Chapter 5 - Performance Goals and Measures

In the development of performance measures, the *Inspector General Act of 1978*, as amended, mandates the reporting of certain statistics and related quantitative data to the Secretary and the Congress. To accommodate uncontrollable or unpredictable factors, the OIG's performance goals and measures will be updated annually for maximum effectiveness in meeting the changing needs of DHS, consistent with the OIG's statutory responsibilities. In addition to the mandatory requirements, performance measures identified serve as a basis to determine the overall effectiveness of OIG work.

**FY 2006**

### **Performance Goals and Indicators**

#### **Goal 1. Add value to DHS programs and operations.**

- 1.1 Provide audit and inspection coverage of 75% of DHS' strategic objectives, the President's Management Agenda, and the most serious management challenges facing DHS.
- 1.2 Achieve at least 75% concurrence with recommendations contained in OIG audit and inspection reports.
- 1.3 Complete draft reports for at least 75% of inspections and audits within six months of the project start date, i.e., entrance conference.

#### **Goal 2. Ensure integrity of DHS programs and operations.**

- 2.1 At least 75% of substantiated investigations are accepted for criminal, civil, or administrative action.
- 2.2 At least 75% of investigations referred resulted in indictments, convictions, civil findings, or administrative actions.
- 2.3 Provide audit coverage of each of DHS' grant programs.
- 2.4 Achieve at least 75% concurrence from DHS management with OIG recommendations on grant audits.

#### **Goal 3. Deliver quality products and services.**

- 3.1 Establish and implement an internal quality control review program covering all elements of DHS OIG.
- 3.2 Establish and implement an employee training program for DHS OIG.

## Chapter 6 –Completed Projects

### Completed Reports October 1, 2005 – March 31, 2006

| Report Number | Title<br>Gulf Coast Reports  | OIG<br>Component | DHS<br>Component | Date   |
|---------------|--|------------------|------------------|--------|
| GC-HQ-06-01   | Process for Preparing Project Worksheets   | Gulf Coast       | FEMA             | Oct-05 |
| GC-LA-06-02   | Review of the Proposed Interagency Housing Agreement with the Department of Veterans Affairs   | Gulf Coast       | FEMA             | Oct-05 |
| GC-LA-06-03   | Placement of FEMA Trailers in St. Bernard Parish   | Gulf Coast       | FEMA             | Oct-05 |
| GC-LA-06-04   | Changes in State of Louisiana Compensation Policies  | Gulf Coast       | FEMA             | Oct-05 |
| GC-HQ-06-05   | Management Advisory Report on the Major Technical Assistance Contracts   | Gulf Coast       | FEMA             | Nov-05 |
| CG-HQ-06-06   | Expedited Assistance Overpayment   | Gulf Coast       | FEMA             | Nov-05 |
| GC-LA-06-07   | Clearbrook, LLC Billing Errors Under Contract Number HSFE-06-05-F-6232   | Gulf Coast       | FEMA             | Nov-05 |
| GC-LA-06-08   | Washington Parish Contracting Problems   | Gulf Coast       | FEMA             | Nov-05 |
| GC-HQ-06-09   | Management Advisory Report on Invoices submitted under Task Order HSFEHQ-06-F-0047 by Corporate Lodging Consultants, Inc.                | Gulf Coast       | FEMA             | Feb-06 |
| GC-HQ-06-10   | Strengthening Registration Intake Controls   | Gulf Coast       | FEMA             | Feb-06 |
| GC-HQ-06-11   | Management Advisory Report on the Acquisition of Cruise Ships for Hurricane Katrina Evacuees   | Gulf Coast       | FEMA             | Feb-06 |
| GC-HQ-06-12   | Mobile Homes & Modular Homes at Hope and Red River   | Gulf Coast       | FEMA             | Feb-06 |
| GC-HQ-06-13   | FEMA Should Invest Funds Associated with Grant EMW-2006-GR-0056  | Gulf Coast       | FEMA             | Feb-06 |
| GC-MS-06-14   | Review Hurricane Katrina Activities City of Bay St. Louis, Mississippi, FEMA Disaster No. 1604-DR-MS                                     | Gulf Coast       | FEMA             | Feb-06 |
| GC-MS-06-15   | Review of FEMA Contracts Awarded by Contracting Officers at the Biloxi, MS Area Field Office   | Gulf Coast       | FEMA             | Feb-06 |
| GC-AL-06-16   | Review of Hurricane Katrina Contracts Baldwin County, Alabama  | Gulf Coast       | FEMA             | Feb-06 |
| CG-HQ-06-17   | Management Advisory Report on Armed Guard Services provided by Blackwater Security Consulting, LLC under Contract HSCEFC-05-J-F00002     | Gulf Coast       | FEMA             | Feb-06 |
| GC-AL-06-18   | City of Gulf Shores, Alabama   | Gulf Coast       | FEMA             | Feb-06 |
| GC-HQ-06-19   | Indirect Costs under Grant Agreement Number EMW-2006-GR-0056 with United Methodist Committee on Relief/ Emergency Services International | Gulf Coast       | FEMA             | Mar-06 |
| GC-AL-06-20   | Review of Hurricane Katrina Contract City of Bayou, La Batre, Alabama  | Gulf Coast       | FEMA             | Mar-06 |
| GC-AL-06-21   | Review of Hurricane Katrina Contracts City of Fairhope, Alabama  | Gulf Coast       | FEMA             | Mar-06 |
| GC-AL-06-22   | Review of Hurricane Katrina Contracts City of Daphne, Alabama  | Gulf Coast       | FEMA             | Mar-06 |
| GC-HQ-06-23   | FEMA Trailers at Pontchartrain Guest House   | Gulf Coast       | FEMA             | Mar-06 |
| GC-AL-06-24   | Review of FEMA Contracts Awarded by Contracting Officers Montgomery, Alabama, Joint Field Office   | Gulf Coast       | FEMA             | Mar-06 |

**Completed Reports October 1, 2005 – March 31, 2006  
(Continued)**

| <b>Report Number</b> | <b>Title</b>  | <b>OIG Component</b> | <b>DHS Component</b> | <b>Date</b> |
|----------------------|---|----------------------|----------------------|-------------|
| GC-MS-HQ-25          | Review of Hurricane Katrina Activities City of Biloxi, Mississippi<br>FEMA Disaster No. 1604-DR-MS      | Gulf Coast           | FEMA                 | Mar-06      |
| GC-TX-06-26          | Review of Hurricane Katrina Activities City of San Antonio, Texas<br>FEMA Disaster No. EM-3216-TX       | Gulf Coast           | FEMA                 | Mar-06      |
| GC-AL-06-27          | Review of Hurricane Katrina Contracts City of Orange Beach, AL  | Gulf Coast           | FEMA                 | Mar-06      |
| GC-MS-06-28          | Review of Hurricane Katrina Activities City of D'Iberville,<br>Mississippi FEMA Disaster No. 1604-DR-MS | Gulf Coast           | FEMA                 | Mar-06      |
| GC-MS-06-29          | Review of FEMA Contracts Awarded by Contracting Officers at the<br>Jackson, MS Joint Field Office       | Gulf Coast           | FEMA                 | Mar-06      |

Copies of the Gulf Coast reports are available on the OIG website at [www.dhs.gov/oig](http://www.dhs.gov/oig) under "Advisory Reports-Hurricane Katrina"

**Management Reports**

|           |   |             |              |        |
|-----------|---|-------------|--------------|--------|
| OIG-06-04 | An Assessment of the Proposal to Merge Customs and Border<br>Protection with Immigration and Customs Enforcement      | Inspections | CBP          | Nov-05 |
| OIG-06-05 | Improved Security Required for DHS Networks*  | IT          | Management   | Nov-05 |
| OIG-06-06 | A Review of U.S. Citizenship and Immigration Services' Alien<br>Security Checks*                                      | Inspections | USCIS        | Nov-05 |
| OIG-06-07 | A Review of the Top Officials 3 Exercise*   | Inspections | Preparedness | Nov-05 |
| OIG-06-08 | A Review of Border Patrol's Compliance with Public Law 108-334<br>and the Use of Checkpoints within the Tucson Sector | Inspections | CBP          | Nov-05 |
| OIG-06-09 | Independent Auditors' Report on DHS' FY 2005 Financial<br>Statements  | Audit       | Management   | Nov-05 |
| OIG-06-10 | Review of the Transportation Security Administration's Use of<br>Pat-downs in Screening Procedures*                   | Audit       | TSA          | Nov-05 |
| OIG-06-11 | Letter Report: Review of DHS Chief Information Officer<br>Remediation Plan*   | IT          | Management   | Nov-05 |
| OIG-06-12 | Independent Auditors' Report on CPB's Balance Sheet   | Audit       | Management   | Dec-05 |
| OIG-06-13 | Summary of Evaluation of DHS' Security Program for its<br>Intelligence Systems*                                       | IT          | Security     | Dec-05 |
| OIG-06-14 | Major Management Challenges Facing the Department of<br>Homeland Security   | Audit       | Management   | Dec-05 |
| OIG-06-15 | A Review of Remote Surveillance Technology Along U.S.<br>Land Borders   | Inspections | CBP          | Dec-05 |
| OIG-06-16 | US-VISIT System Security Management Needs Strengthening*  | IT          | US-VISIT     | Dec-05 |
| OIG-06-17 | Security Weaknesses Increase Risks to Critical DHS Databases*   | IT          | Management   | Dec-05 |
| OIG-06-18 | Review of the Transportation Security Administration's<br>Management Controls Over the Screener Recruitment Program   | Audit       | TSA          | Dec-05 |

**Completed Reports October 1, 2005 – March 31, 2006  
(Continued)**

| <b>Report Number</b> | <b>Title</b>   | <b>OIG Component</b> | <b>DHS Component</b> | <b>Date</b> |
|----------------------|--|----------------------|----------------------|-------------|
| OIG-06-19            | The State of Indiana's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 and 2003              | Audit                | Preparedness         | Dec-05      |
| OIG-06-20            | Management of the DHS Wide Area Network Needs Improvement  | IT                   | Management           | Dec-05      |
| OIG-06-22            | Review of Vulnerabilities and Potential Abuses in the L-1 Visa Program*  | Inspections          | USCIS                | Jan-06      |
| OIG-06-23            | Transportation Security Administration's Information Technology Managed Services Contract                                  | Audit                | TSA                  | Feb-06      |
| OIG-06-24            | Follow Up Review of the Port Security Grant Program  | Inspections          | Preparedness         | Feb-06      |
| OIG-06-25            | Letter Report: Independent Review of the U.S. Immigration and Customs Enforcement Reporting of FY 2005 Drug Control Funds* | Audit                | ICE                  | Mar-06      |
| OIG-06-26            | Letter Report: Independent Review of the U.S. Customs and Border Protection Reporting of FY 2005 Drug Control Funds*       | Audit                | CBP                  | Mar-06      |
| OIG-06-27            | Letter Report: Independent Review of the U.S. Coast Guard's Reporting of FY 2005 Drug Control Funds*                       | Audit                | USCG                 | Mar-06      |
| OIG-06-28            | Audit of Export Controls for Activities Related to China   | Audit                | ICE                  | Mar-06      |
| OIG-06-29            | FPS Related Funds Transferred from GSA to DHS*   | Audit                | Management           | Mar-06      |
| OIG-06-30            | Review of DHS' Progress in Adopting and Enforcing Equipment Standards for First Responders                                 | Inspections          | S&T                  | Mar-06      |
| OIG-06-31            | Review of Department's Handling of Suspicious Passengers Aboard Northwest Flight 327                                       | Audit                | TSA                  | Mar-06      |
| OIG-06-32            | A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina                             | Inspections          | FEMA                 | Mar-06      |

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\* This project was not included in the FY 2006 Annual Performance Plan.

Copies of the OIG Management Reports are available on the OIG website at [www.dhs.gov/oig](http://www.dhs.gov/oig).

# Chapter 7 – On-Going Initiatives and Project Narratives

## GULF COAST HURRICANE RECOVERY

### OIG Presence at FEMA Field Offices in the Gulf

As DHS began operating Joint Field Offices in Alabama, Mississippi, Texas, Florida, and Louisiana, auditors and investigators were on-site to provide oversight and technical assistance to FEMA and state and local officials. Currently, we have auditors at FEMA's recovery offices in Louisiana, Mississippi, Texas and Florida to provide a visible OIG presence to prevent misspending on questionable contracts and grants.

*Audit Objective:* This continuing effort at FEMA field offices will include:

- Overseeing contract activities;
- Participating in FEMA applicant briefings and kickoff meetings;
- Providing assessments of applicants' accounting systems and sub-grant administrative policies, procedures, and practices;
- Overseeing FEMA property management to ensure that property and equipment are safeguarded against loss and pilferage.

*Investigative Objectives:* The investigators are coordinating with the respective federal, state, and local law enforcement agencies and prosecutors as part of their "fraud awareness" initiatives. They are handling allegations received through an OIG-wide, Hurricane Relief Fraud "Hotline," from the DHS OIG Hotline, from members of Congress, and members of the public. The OIG is also working with the Attorney General's Hurricane Katrina Fraud Task Force, which prosecutes individuals for filing false claims for disaster relief assistance as well as contractors who seek to defraud FEMA.

### Review of Contracts

- *(New)* Review of FEMA's Technical Assistance Contracts

In the aftermath of Katrina, FEMA awarded sole source contracts to four companies: Bechtel, CH2Mhill, Fluor, and Shaw for the installation, operations, maintenance and deactivation of temporary housing units, among other tasks. The total value of these contracts is anticipated to be almost \$3 billion. Though all four companies were among the top 50 construction contractors in the country, the contract files did not contain documentation describing the process used to select these firms over other large firms. In addition, some of the task orders on these contracts were not

definitized for several months, and FEMA initially did not have trained and experienced staff to monitor the costs or performance of these contracts.

***Audit Objective:*** To determine the adequacy of contract documents, price reasonableness, the effectiveness of the inspection and payment processes, and FEMA's adherence to effective contracting practices.

- ***(New)*** **Review of Contractor Billings for Hotels and Motels**

FEMA provides for temporary housing for disaster victims in hotels until such time as the victims can be transferred to longer term housing programs such as apartments, travel trailers and mobile homes. Immediately after Hurricane Katrina, the American Red Cross provided hotel and motel rooms for evacuees until October 24, 2005. The Red Cross was awarded a contract on October 20, 2005 for \$250 million to provide housing and pharmaceutical assistance to eligible evacuees for the period from August 29 to October 24, 2005. Subsequent to October 24, 2005, FEMA assumed responsibility for providing hotel and motel rooms for Katrina evacuees and awarded a task order under a General Services Administration (GSA) contract. Under this task order, the contractor was to be paid a flat rate of \$2.48 per night per room with the actual lodging costs to be paid separately.

***Audit Objective:*** Our objective is to determine whether lodging rates were reasonable, allowable and measurable, whether evacuees were eligible to receive lodging, and whether FEMA and the Red Cross followed effective contracting practices.

- ***(New)*** **Data Mining of FEMA's Use of Purchase Cards**

We are performing, in cooperation with GAO, a data mining review of FEMA's use of purchase cards. The micro purchase threshold was raised in response to Hurricane Katrina and purchase card use increased substantially. DHS' purchase card program has not been audited. In FY 2005, DHS had nearly 14,000 cardholders and used purchase cards to make over one million purchases totaling nearly \$400 million in goods and services. This review will cover the entire purchase card program, not just Katrina purchases.

***Audit Objectives:*** To determine whether DHS' internal controls are adequately designed and operating effectively to provide reasonable assurances that fraud, waste, and abuse are minimized, and to determine whether there are indications of fraudulent, improper, and abusive usage of DHS purchase cards.

- ***(New)*** **Review of Public Assistance Grant Awards**

We continue to review public assistance projects as they are being prepared by FEMA. In addition, we are reviewing the major grant recipients to determine whether or not they have financial management systems that are adequate for managing the grants. A list of on-going reviews is as follows:

- Bay St. Lois School District, MS
- Stone County, MS
- Pearl River County, MS
- City of Long Beach, MS
- Coast Electric Power Association
- Magnolia Electric Power Association
- South Pine Electric Power Association
- Hancock County, MS
- City of Pascagoula, MS
- City of Fort Lauderdale, FL
- City of Plantation, FL
- City of Hollywood, FL
- City of Port St. Lucie, FL
- St. Lucie County, FL
- City of Coral Gables, FL
- Alabama Dept. of Conservation and Natural Resources
- St. Tammany Parish, LA
- City of Kenner, LA
- Dallas Housing Authority \$29m
- City of Houston, TX \$198 m
- Debris Removal for St. Bernard Parish, LA

We have also begun interim audits of grant recipients to ensure that they are documenting their costs and that the costs they claim are eligible for FEMA reimbursement. Case in point is the City of Houston, which provided interim housing for over 100,000 evacuees now residing in 34,000 apartments. We reviewed its sheltering and interim housing accounting controls. The City's support for over \$200 million in costs was especially poor because city officials did not recognize the importance of associating interim housing costs to individual evacuee families until many months had passed. For example, electric bills and furniture deliveries could not be connected to individual evacuees and the city could not confirm that it paid the correct rental rate for apartments. Furthermore, the city had not established controls to prevent duplicate payments. We plan to return to Houston to reassess the city's controls and supporting documentation in June 2006.

We have completed a number of interim audits in the Gulf States and will begin final audits as the rebuilding projects by local governments are completed. These audits will continue for at least the next few years.

***Audit Objectives:*** To determine whether the subgrantees accounted for and expended funds according to federal regulations and FEMA guidelines.

**(New) Review of FEMA's National Flood Insurance Program**

FEMA manages the National Flood Insurance Program. In addition to providing insurance for flooded property, the National Flood Insurance Program helps ensure that

communities are less vulnerable to flooding disasters. One way this is accomplished is by establishing policies to guide state and local officials in rebuilding after a disaster. FEMA is now assessing elevation policies for Mississippi and Louisiana communities to provide the most accurate data possible on elevation of structures necessary to mitigate future flood damage.

***Audit Objective:*** To assess how effectively FEMA managed flood insurance in the wake of Hurricane Katrina, and to determine the effect of FEMA's elevation determinations on affected communities.

#### ***(New)* Review of FEMA's Mitigation Grant Programs**

FEMA provides grants for mitigation activities through its Public Assistance Grant Program, Hazard Mitigation Grant Program, Pre-Disaster Mitigation Grant Program, and the Flood Mitigation Assistance Program.

***Audit Objective:*** To evaluate FEMA's implementation of these grant programs in response to Hurricane Katrina and determine to what extent they are effective in catastrophic disasters and what improvements are needed.

#### ***(New)* Review of FEMA Sheltering and Transitional Housing for Evacuees**

Hurricanes Katrina and Rita produced more than one million evacuees. Many are still living in transitional housing. We are reviewing FEMA's planning for sheltering evacuees, and implementation of transitional housing that included long-term sheltering, hotels and motels, apartments, travel trailers and manufactured homes, cruise ships, and fixed facilities. We will include FEMA's coordination with state and local governments and voluntary agencies, and assess how well evacuee needs were met. The review will identify the actions FEMA is taking to be better prepared to provide housing to evacuees of future catastrophic disasters and recommend ways to prevent problems that occurred during the response to Hurricane Katrina.

***Audit Objective:*** To determine to what extent FEMA's transitional housing program met the needs of the hurricane victims, and to identify weaknesses that need to be addressed for future disasters.

#### ***(New)* Review of Potential for Duplication Among Federal Disaster Assistance Programs**

We are preparing an inventory of federal disaster assistance programs and assessing their potential for duplication of benefits. This is a high-level review rather than an effort to identify specific incidents of duplication. We plan to use case studies to demonstrate the importance of applying safeguards to these programs to prevent both intentional and inadvertent duplication of benefits. Some instances of overlapping programs have already surfaced, such as individuals receiving both cash for rental assistance and housing provided by federal agencies.

***Audit Objective:*** To produce a baseline report that identifies programs and areas within the federal government that are at risk of providing duplication of benefits to disaster victims.

**(New) Review of Potential for Improved Intergovernmental Coordination and Data Sharing Among Federal Agencies**

A variety of federal agencies collect data that may benefit FEMA in activities such as determining eligibility of individuals for assistance and preventing duplicate assistance payments. Similarly, FEMA collects data that might be useful to other agencies. For example, FEMA data might contain information on the post-disaster location of missing children or others displaced by a disaster.

***Audit Objective:*** To review interagency data sharing processes and procedures to determine how interagency data sharing might improve the effectiveness of disaster response and recovery.

**(New) Review of the United Methodist Committee on Relief Case Management Grant**

After Hurricane Katrina, foreign governments donated approximately \$100 million to assist hurricane victims. Using \$66 million of those funds, FEMA awarded a grant to the United Methodist Committee on Relief to provide case management services for the hurricane victims.

***Audit Objective:*** To determine whether the grant is being managed according to laws and regulations, to assess whether the program is being operated in an economical and efficient manner, and to determine whether the program is delivering the needed assistance.

**(New) Review of FEMA State Management Grants for Louisiana and Mississippi**

FEMA provides grants to reimburse states for management and administrative costs. There is potential for these grants to be duplicative of other federal funding for similar purposes. We will identify such grants in Louisiana and Mississippi and determine whether costs incurred under those grants are appropriate and eligible.

***Audit Objective:*** To determine whether FEMA's procedures and practices for awarding grants for state management costs limits funding for only those costs that are reasonable and necessary for state grantees to maintain effective and efficient oversight of grant program operations.

## **Review of FEMA Mission Assignments**

In any declared disaster or emergency, FEMA may direct other federal agencies, through mission assignments, to perform activities to support state and local governments. The agencies can request reimbursement from FEMA for eligible costs incurred during performance of the mission as the work is completed. FEMA awarded more than \$7 billion in mission assignments for Katrina. We are reviewing FEMA mission assignments to the five DHS components that received the largest mission assignments: Federal Protective Service (FPS), U.S. Coast Guard, U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), and National Communication System. Also, working through the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency, we are assisting other OIGs that are conducting reviews of FEMA's Mission Assignments to their respective Department or Agency.

**Audit Objectives:** To ensure that mission assignments were managed to satisfy mission requirements, funds were spent effectively and accurately accounted for, contracting followed proper procurement procedures, adequate documentation was maintained, and that purchased property was managed according to governing laws and regulations.

## **Review of Selected Components of FEMA's Individual and Households Program**

Several components of FEMA's Individual Assistance grant program provide non-housing assistance for disaster victims. For example, victims may be able to get reimbursement for generators, chain saws, medical and dental cost, lost personal property, automobiles and funerals.

**Audit Objective:** To evaluate how FEMA determines what costs will be paid and ensures applicant eligibility, how efficiently and accurately claims are processed, how FEMA manages recertification for rental assistance, and how FEMA ensures recoupment of overpayments, duplicate payments, and payments to ineligible recipients.

## **Review of FEMA's Property Management**

Disaster assistance operations involve numerous acquisitions of personal property by FEMA as well as other agencies. Our auditors and contract auditors will review FEMA's management of personal property and will evaluate internal controls in place to ensure that personal property purchased during disaster operations is properly accounted for and managed. Personal property received through international donations also will be part of this effort.

**Audit Objective:** To evaluate how personal property is acquired, received, issued, disposed of, controlled, and tracked by the JFOs, Agency Logistics Centers, Territory Logistics Centers, and Remote Storage Sites.

## SPECIAL INITIATIVES

### **Review of DHS Progress Addressing Challenges in the Relationship Between CBP and ICE**

In November 2005, the OIG issued, *An Assessment of the Proposal to Merge Customs and Border Protection with Immigration and Customs Enforcement, OIG-06-14*, which contained 14 recommendations for DHS Second Stage Review implementation. DHS has acknowledged that there are challenges in the relationship between CBP and ICE. The department indicated that organizational changes contemplated as a result of the Secretary's Second Stage Review and initiatives undertaken under its Secure Border Initiative will resolve these challenges, and that it will develop performance metrics related to its objectives. To evaluate progress in these areas, we will review the department's plans for implementing OIG recommendations, the Secure Border Initiative, and changes resulting from the Secretary's Second Stage Review.

***Inspection Objectives:*** To determine DHS progress in addressing difficulties in the relationship between CBP and ICE; in particular, the progress of DHS initiatives to improve: (1) coordination between apprehension and detention and removal operations (DRO); (2) coordination between interdiction and investigation operations; and (3) intelligence and information sharing. *Office of Inspections and Special Reviews*

### **Peer Review**

The Office of Inspections and Special Reviews will undergo a peer review or external evaluation by other OIGs as a pilot for consideration and possible use by other members of the PCIE Inspections and Evaluations community.

## CIVIL RIGHTS CIVIL LIBERTIES

### ***Carryover Projects from FY 2005***

#### **Treatment of Aliens Held on Immigration Charges**

This is the initial audit evaluating the treatment of aliens held on immigration charges, covering five detention facilities. Additional facilities will be reviewed during FY 2006.

***Audit Objective:*** Determine whether aliens held on immigration charges are being treated properly, and whether ICE's monitoring and oversight of the conditions of confinement for detainees are adequate. *Office of Audits*

## CUSTOMS AND BORDER PROTECTION

### **(New) Customs and Border Protection Service Contract to Maintain Non-Intrusive Inspection Equipment Assets**

In September 2003, CBP awarded a sole source contract to a certified and tribally owned Alaskan Native Corporation to maintain its non-intrusive inspection equipment assets. Specifically, the contract covered maintenance work for metal detectors, X-ray machines, and explosive trace detectors throughout land border crossings, commercial airports and seaports. The contract also included staffing and operating a 24/7 operations center and training customs officers to operate the non-intrusive inspection equipment.

CBP awarded the contract under the Small Business Administration 8(a) Native American Corporation program. The contract award totaled \$494 million for one base year and up to nine option years. As of January 2006, the contractor had billed CBP almost \$90 million.

***Audit Objectives:*** Determine whether CBP: (1) complied with Federal Acquisition Regulations in awarding the contract and (2) performed adequate contract oversight to ensure compliance with federal laws and regulations and contract provisions. *Office of Audits*

### **(New) Risk Management Advisory on SBInet Program Initiation**

The department has announced its secure border initiative strategy for controlling the border and reducing illegal immigration, which includes a CBP-led program to modernize border patrol operations and technology. This critical component of the secure border initiative is called SBInet, a new start major acquisition program, replacing two previous efforts to gain control of the borders: the integrated surveillance intelligence system and the America's shield initiative. CBP plans to award a multi-year contract to hire a systems integrator in September 2006.

We will review CBP's approach and plans for SBInet, relate and analyze findings and recommendations about other DHS programs and contracts, and advise program officials on managing risks. We will focus this review on the two most critical risk areas for initiating a major acquisition program: (1) operational requirements and (2) organizational capacity.

***Audit Objective:*** The objective of this project is to identify what lessons can be learned from previous and current major acquisition programs to minimize risks to accomplishing SBInet's objectives. *Office of Audits*

### **Targeting Oceangoing Cargo Containers 2007 ([Mandatory](#))**

Sec. 809 (g) of the *Coast Guard and Maritime Transportation Act of 2004* (CGMTA) (Public Law 108-293) requires the OIG to annually evaluate and report on the effectiveness of the cargo inspection targeting system for international intermodal cargo containers. Due to the high volume of international intermodal containers arriving into the United States (approximately 9 million in FY 2004) CBP officers are not able to review or inspect every container. As a result, CBP developed the Automated Targeting System (ATS) to assist in targeting high-risk shipments. ATS evaluates and scores shipments based on weighted rules. The score received determines whether the container(s) that comprise the shipment are subject to immediate release, document review, or inspection. The *Department of Homeland Security Appropriations Act, 2006* includes \$28.3 million for ATS, an increase of \$5.4 million over FY 2005. This is the third in a series of annual audits.

***Audit Objectives:*** Evaluate the effectiveness of CBP's targeting system in detecting potential acts of terrorism using oceangoing cargo containers. *Office of Audits*

### **CBP Plan for Implementation of Secure Systems of Transportation ([Mandatory](#))**

Sec. 809(c) of the CGMTA requires the Secretary of DHS to submit to the Congress a plan for the implementation of secure systems of international intermodal transportation as directed by Sec. 70116 of title 46, United States Code. Sec. 70116 includes requirements for establishing standards and procedures for screening and evaluating U.S. bound cargo prior to loading at a foreign port, standards for securing cargo and monitoring that security while in transit, and performance standards to enhance the physical security of shipping containers. The plan required under subsection (c) must include a timeline for establishing the standards and procedures under Sec. 70116(b); a preliminary assessment of resources necessary to evaluate and certify secure systems of transportation and to ensure they operate in compliance with certification requirements; an analysis of the impact of a voluntary user fee (to fund the certification of private secure systems of transportation) on cargo security; an analysis of the need for and feasibility of a system to inspect, monitor and track intermodal shipping containers within the U.S.; and, an analysis of the need for and feasibility of developing international standards for secure systems of transportation. Sec. 809(d) requires our office to evaluate the progress made by DHS in implementing the plan under Sec. 809(c). The OIG is required to submit an evaluation of the plan to the Congress one year after the plan is issued.

***Audit Objectives:*** Determine DHS' progress in implementing its plan to secure systems of international intermodal transportation, as directed by the CGMTA. *Office of Audits*

## **Interagency Inspectors General Review of U.S. Export Control Activities** **(Mandatory)**

The United States controls the export of dual-use commodities, i.e., goods and technologies that have both civilian and military uses, and munitions for national security and foreign policy purposes under the authority of several laws, primarily the *Export Administration Act of 1979* and the *Arms Export Control Act of 1976*. Annual audits of selected aspects of the program are scheduled to be conducted through 2007.

***Audit Objective:*** Determine the effectiveness of the U.S. government's export control policies and practices, with respect to preventing the transfer of sensitive U.S. technologies and technical information to other countries. *Office of Audits*

### **ACE e-Manifest Functionality for Trucks (Release 4)**

On August 13, 2001, the U.S. Customs Service awarded e-Customs Partnership a contract to develop the Automated Commercial Environment (ACE). The current plan is for the ACE program to be completed by December 2011 at an estimated cost of \$3.3 billion. The ACE e-Manifest Functionality for Trucks (Release 4), included in task order 8, provides an electronic truck manifest, a primary inspector interface, and expedited importation processing. The deployment of this release is to provide CBP officers with better enforcement capabilities while expediting the movement of cargo into the United States. This release meets the *Trade Act of 2002* requirement that CBP provide an automated manifest for the trade. Release 4 was initially deployed during December 2004 at the Port of Blaine, Washington. Several setbacks resulted in the decision to discontinue deployment of Release 4 at the other six scheduled ports until all issues were resolved. As a result of this setback, Release 4 was re-scheduled to start in April 2005 at various other ports. Trucks are the first mode of transportation released under ACE.

***Audit Objectives:*** Determine the extent to which the e-Customs Partnership is meeting the contract functional requirements and pilot program performance measures for ACE e-manifest for trucks. *Office of Audits*

### **Mission Support Resources for Border Security**

Over the past few years, CBP has greatly increased the level of resources assigned to the northern and southern borders. For example, the resources assigned to the northern border have increased from 368 agents and four aircraft prior to September 11, 2005, to over 1,000 agents and more than 17 aircraft during June 2005. The northern border spans thousands of miles of difficult terrain and numerous lakes. With the increased staffing, a commensurate buildup of support equipment, including aircraft, boats, vehicles, support facilities, and equipment assigned to individual officers, is also needed. The supporting equipment and facilities are critical to successful mission performance.

***Audit Objectives:*** Determine the status of CBP initiatives to provide adequate facilities and equipment for their agents to respond to intrusions. *Office of Audits*

## **One Face at the Border Initiative**

CBP is responsible for securing the U.S. borders. In the past, travelers entering the U.S. underwent two immigration and customs inspections conducted by separate groups of DHS employees. To increase employee flexibility and operational efficiency in securing the border, CBP began the “One Face at the Border” initiative. The initiative combined Customs and former Immigration and Naturalization Service (INS) personnel into a consolidated workforce on July 25, 2004. CBP expects that having fully trained CBP officers will expedite the inspection process for the vast majority of travelers and trade passing through our nation’s ports of entry.

***Audit Objective:*** Determine the extent to which training and job assignment rotation are preparing CBP officers to conduct the full range of border inspection functions. *Office of Audits*

## **Recruiting, Hiring, and Training Border Patrol Agents**

On July 1, 2005, the CBP launched a national recruiting campaign with plans to hire up to 2,100 new agents in 15 months, including 500 additional agents funded in the *2005 Emergency War Supplemental*, 1,000 new agents funded in the *Department of Homeland Security Appropriations Act, 2006*, and 600 agents to cover losses through attrition. Congress has raised concerns regarding the capability of CBP to recruit, hire, and train this number of new agents. Congress is also concerned about the cost estimates to recruit, hire, and train a new Border Patrol agent, which range from \$150,000 to \$189,000. These estimates include overhead fixed costs, salaries, and benefits for half a year. The Office of Training and Development, located within CBP, is responsible for the training. Border Patrol Academy classes are held at the Federal Law Enforcement Training Center (FLETC) in Artesia, New Mexico. Classes are 20 weeks and have a maximum of 50 trainees per class.

***Audit Objective:*** Determine to what extent CBP has the capability to recruit, hire, and train new agents and the costs of such efforts. *Office of Audits*

## **Policies Governing the Michigan-Canadian Border**

Michigan is the principal gateway for international trade with Canada. To illustrate, the Ambassador and Blue Water Bridges rank as the top two commercial crossings on the U.S.-Canadian border, with more than 4.7 million annual truck crossings and 19.4 million annual passenger crossings. The Michigan Department of Transportation is currently operating under an implicit border policy embedded within the State Long Range Plan. However, it would like to adopt an explicit border policy because, as it stands, no single authority regulates or coordinates border crossing policies or lobbies for improvements. Presently, a mixture of government agencies on both sides of the border control the border. Michigan has been featured heavily in reports of travelers with watchlist records who seek entry to the U.S.

**Inspection Objectives:** Determine whether security policies and agreements between the U.S. and Canadian governments, the State of Michigan, and local law enforcement entities--with a potential focus on security procedures in effect at the Ambassador and Blue Water Bridges--are sufficient to prohibit travelers with watchlist records from gaining entry to the United States. *Office of Inspections and Special Reviews*

### ***Carryover Projects from FY 2005***

#### **Targeting Oceangoing Cargo Containers 2006 (*Mandatory*)**

This ongoing audit will meet the requirements contained in Sec. 809(g) of the *Coast Guard and Maritime Transportation Act of 2004* for the OIG to annually evaluate and report on the effectiveness of the cargo inspection targeting system for international intermodal cargo containers.

**Audit Objectives:** Determine how intelligence information is received, shared, and used in developing targeting rules and inspection decisions, and determine whether targeters (1) are receiving the training needed to effectively use intelligence information to detect potential terrorist threats, and (2) have appropriate security clearances. *Office of Audits*

#### **CBP's Agricultural Inspection Activities**

On March 1, 2003, functions of several border agencies including the former U.S. Customs Service and the U.S. Department of Agriculture's Animal and Plant Health Inspection Service were transferred to CBP. This transfer split inspection activities between the Department of Agriculture and CBP.

CBP has more than 41,000 employees to manage, control and protect our nation's borders, at and between the ports of entry. CBP's Office of Field Operations oversees 25,000 of these employees including the 19,000 CBP officers and agriculture specialists, and oversees the programs and operations at 20 field operations offices, 317 ports of entry and 14 pre-clearance stations in Canada and the Caribbean. In FY2004, CBP agriculture specialists intercepted more than 1.5 million prohibited items.

**Audit Objective:** Determine to what extent CBP is conducting agriculture inspection activities transitioned from the U.S. Department of Agriculture for preventing or minimizing the introduction of harmful, exotic pests and diseases in the U.S. *Office of Audits*

#### **CBP's Ability to Detect Uranium at Ports of Entry – Follow-up**

In September 2004, the OIG issued the *Effectiveness of Customs and Border Protection's Procedures to Detect Uranium in Two Smuggling Incidents* audit report. The OIG reported deficiencies in CBP's cargo container inspection process and procedures. OIG

made four recommendations in this report to improve CBP's radiation detection capabilities for cargo containers at the ports of entry. As a result of this audit, the chairman and ranking members of four House and Senate committees requested that the OIG continue to review CBP's radiation detection capabilities to include other technologies that may increase the detection capabilities of radiation portal monitors and to follow-up on the status of CBP's implementation of the recommendations made in the OIG's first report.

***Audit Objective:*** Determine: (1) the status of CBP's implementation of the recommendations made in the OIG's prior report; and (2) what other radiation detection technologies are currently being explored by CBP for enhancing its radiation detection capability. *Office of Audits*

### **Audit of Payments to ACE Contractor**

On August 13, 2001, the U.S. Customs Service awarded e-Customs Partnership a contract to develop the ACE. ACE is a 10-year project estimated to cost \$3.3 billion. The OIG has performed three audits of ACE. Audits in the program management and contracting areas identified problems in the areas of communications, implementation of management programs, quality of deliverables, and funding.

***Audit Objectives:*** Determine how effectively CBP verified the accuracy, reliability, and completeness of contractor invoices prior to payment. Determine whether CBP had an effective process for evaluating the quality of contractor performance against contract terms to determine the amount of award and incentive fee payments. *Office of Audits*

### **Recent Chinese Smuggling Cases' Impact on the Container Security Initiative and Customs-Trade Partnership Against Terrorism ([Congressional](#))**

In January and April 2005, 32 and 39 Chinese nationals respectively were found emerging from containers arriving at the Port of Los Angeles. Irrespective of their purpose, of greater concern is that they could have been members of terrorist organizations and/or that the container could have contained a weapon of mass destruction. The containers involved were targeted by DHS for examination or document review, yet apprehension of the nationals resulted only because of the vigilance of dockworkers.

The Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Homeland Security requested that the OIG review whether current layers of container security are effective in mitigating the smuggling threat; whether DHS is learning from and adjusting its operations based on these incidents; and whether additional changes should be considered.

***Inspection Objectives:*** Determine (1) the lessons learned from these recent human smuggling incidents; and (2) whether DHS is incorporating these lessons learned from

these events into its targeting systems and operations. *Office of Inspections and Special Reviews*

### **Encounters with Suspected Terrorists at Ports of Entry**

It is unlawful for any person to enter the United States at any place other than a designated port of entry. Inspection of visitors at ports of entry facilitates legal entries of admissible persons and intercepts *mala fide* applicants for admission. *Mala fide* travelers include terrorists, would-be illegal aliens, alien smugglers, and other criminals. Various systems assist CBP inspectors in verifying that applicants for admission are not known to be inadmissible and checking that they are not wanted by federal law enforcement officials.

***Inspection Objectives:*** Assess actions taken by CBP inspectors when an alien who is the subject of a terrorism lookout alert applies for admission at a port of entry. Analyze the procedures used by CBP at air and land ports of entry to determine whether appropriate U.S. agencies are contacted by CBP, and review subsequent actions to resolve the alien's status. Also, examine the purposes of the various U.S. watch lists, related terrorism lookouts, and the criteria for entering the name of an alien on a watch list. *Office of Inspections and Special Reviews*

## **FEDERAL EMERGENCY MANAGEMENT AGENCY**

### **Audits of FEMA Public Assistance/Hazard Mitigation Grants**

*The Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended, governs disasters declared by the President. The Stafford Act authorizes Federal Emergency Management Agency (FEMA) to make awards to state and local governments and certain non-profit organizations to cover losses sustained under federally declared disasters and to mitigate losses under future disasters. The two major disaster grant programs funded by FEMA are Public Assistance Grants and Hazard Mitigation Grants.

***Audit Objectives:*** Determine to what extent grant recipients properly accounted for and used grant funds, and complied with other financial and program requirements. *Office of Audits*

### **Audits of FEMA Fire Management Assistance Grants**

The Fire Management Assistance Grant program provides funds to States, local, and tribal governments for the mitigation, management, and control of fires on publicly or privately owned forests or grasslands. Eligible firefighting costs covered under the grant include expenses for equipment use and repair, firefighting supplies, materials, tools, labor, and mobilization and demobilization activities.

**Audit Objectives:** Determine to what extent grant recipients properly accounted for and used grant funds, and complied with other financial and program requirements. *Office of Audits*

**(New) Upgrade of the National Emergency Management Information System – eNEMIS**

In our September 2005 report, *Emergency Preparedness and Response Could Better Integrate Information Technology with Incident Response and Recovery* (OIG-05-036), we identified problems and issues regarding FEMA’s IT management approach. Specifically, we reported that FEMA’s IT systems cannot effectively handle increased workloads, are not adaptable to change, and lack needed real-time reporting capabilities.

As part of its effort to improve its emergency management systems, FEMA is transforming the National Emergency Management Information System (NEMIS) into a web-based, electronic application called eNEMIS. This effort involves modernization of the current system components, including the integration and consolidation of supporting systems to create a user-friendly, single point-of-access resource. This effort affects approximately 13,000 users, including DHS employees, temporary employees, contractors, and other federal and state employees from 27 various departments.

**Audit Objectives:** As a follow-up to our September 2005 report, we will assess the effectiveness of FEMA’s approach to procuring and implementing eNEMIS to improve support for emergency management operations. *Office of Information Technology*

***Carryover Project from FY 2005***

**National Urban Search and Rescue Response System**

This search and rescue system was created to provide specialized lifesaving assistance during major disasters or emergencies. Currently, 28 task forces in 19 states are part of this system. The OIG audited this system to determine whether management control and criteria deficiencies noted by the FEMA OIG in 1997 and 1998, and by the FEMA Comptroller in 2002, have been corrected.

**Audit Objective:** Determine to what extent the system is achieving defined goals that relate to preparedness and whether preparedness funding had the intended effect on the system’s capacity to respond to major disasters or emergencies. *Office of Audits*

## FEDERAL LAW ENFORCEMENT TRAINING CENTER

### FLETC

The mission of FLETC is to be the leader in career-long law enforcement training in order to prepare law enforcement professionals to fulfill their responsibilities safely and proficiently while ensuring that training is accomplished in the most cost-effective manner. A key challenge confronting FLETC is meeting the needs of the consolidated immigration, customs, and agricultural functions at land, sea, and air ports of entry.

***Audit Objective:*** Determine how well FLETC is organized and positioned to effectively meet the law enforcement training needs of DHS. *Office of Audits*

## IMMIGRATION AND CUSTOMS ENFORCEMENT

### Treatment of Aliens Held on Immigration Charges

In FY 2005, based on allegations of abuse of detainees held at facilities used by DRO as well as holding facilities used by the CBP, OIG initiated a review of the treatment of aliens held on immigration charges. The OIG will conduct follow-on audit work in FY 2006 to examine further issues related to detainment. We are examining ICE's processes for tracking detainees held in detention centers.

***Audit Objective:*** Determine whether ICE has an effective system to track the location of detainees housed at detention facilities. *Office of Audits*

### Federal Protective Service's Contract Guard Program

FPS is the component within DHS responsible for managing the physical security in and around federal facilities nationwide, investigating incidents and criminal complaints occurring on federal properties, and conducting risk assessments of federal facilities. FPS has oversight of more than 10,000 contract security guards responsible for deterring unauthorized, illegal, or potentially life-threatening activities directed toward more than one million employees and daily visitors, as well as information, programs, and property at federally owned and leased facilities nationwide. FPS contract guards usually carry firearms and are deployed at fixed and/or roving posts in and around the perimeter of federal facilities. They often operate security-screening devices, such as magnetometers and x-ray machines, and respond to calls for security services in and around federal buildings. FPS uses contract inspectors, physical security specialists, or other representatives designated by the contracting officer to perform the critical function of monitoring contractor performance and performing guard post inspections.

GSA policy requires that prospective service contract employees, including guards, undergo limited criminal history checks. FPS conducts these checks to determine an applicant's eligibility to function in a position of trust and to identify potential risks or threats to the safety and security of personnel and property. The background check process begins once a guard has received basic training from the contractor and has passed an FPS administered written examination. Guards who are armed must also pass a GSA firearm qualification test before being placed on active duty.

***Audit Objectives:*** Determine to what extent controls are in place to monitor contractor performance and compliance with contract provisions. *Office of Audits*

### **Transportation and Removals Management**

Within ICE's DRO, the Removals Management Division coordinates the process to repatriate aliens with final orders of removal. The division obtains travel documents and country clearances and coordinates transportation (government and commercial) and escorts. In FY 2006, the Removals Management Division also assumed responsibility for the Mexican Interior Repatriation program previously run by CBP.

***Inspection Objectives:*** Determine the integrity of transportation and removal management with DRO; review how DRO is preparing to manage a growing workload of aliens requiring removal, as projected by the Secure Border Initiative and DRO's strategic plan, Endgame; review the related plans, metrics, and resources in support of Transportation and Removal Management; assess, as a follow-up to the Department of Justice (DOJ) OIG's 2001 inspection, *The INS Escort of Criminal Aliens*, the standards and procedures for escorting aliens, coordinating country clearances, and DRO's compliance with those standards. *Office of Inspections and Special Reviews*

### **ICE's Fugitive Apprehension Teams**

ICE has received significant funding to support its fugitive apprehension teams. The teams are responsible for identifying, locating, and apprehending fugitives. Although ICE's resources for this activity are growing, so is the absconder population. This review was initiated as a result of our *Review of the Immigration and Customs Enforcement's Compliance Enforcement Unit* report.

***Inspection Objectives:*** Determine whether the processes used by the teams to locate, apprehend, and remove absconders and fugitives are adequate, and whether participating on the teams runs counter to ICE's mission. *Office of Inspections and Special Reviews*

### **Prolonged Detention and Post-Order Custody Issues**

Sec. 241(a) of the *Immigration and Nationality Act* requires the Attorney General to remove an alien from the United States within 90 days of issuance of the final order, 8 USC §1231(a)(1)(A). The statute provides exceptions when removal within the 90-day period is not possible (such as when the alien's country of citizenship will not accept the

alien). It also permits detention to continue beyond the 90-day period for aliens charged with certain types of immigration violations who have not been removed, or where the Attorney General determines that the aliens present a risk to the community or a risk of flight.

Pursuant to 8 CFR §241.4(h), aliens held more than 90 days after issuance of a final removal order are entitled to an administrative review to determine if their continued custody is warranted.

In *Zadvydas v. Davis*, 533 U.S. 678 (2001), the U. S. Supreme Court held that habeas proceedings were available as a forum for challenges to unreasonable post-removal detentions and that six months is a reasonable period in which to determine whether removal is achievable.

A previous DOJ OIG report found disagreement over the INS' obligations under the 90-day rule and delinquencies in completing the post-order custody reviews. See *The September 11 Detainees: A Review of the Treatment of Aliens Held on Immigration Charges in Connection with the Investigation of the September 11 Attacks*, chap. 6 (June 2003).

***Inspections Objectives:*** To determine ICE's compliance with applicable removal time limits after the issuance of final orders of removal, and the reasons for exceptions or instances of non-compliance. *Office of Inspections and Special Reviews*

### **Terrorist Finance Case Coordination between ICE and FBI ([Congressional](#))**

At the request of the Chairman of the Senate Finance Committee, we will conduct a review of allegations made by an ICE special agent-in-charge that the Federal Bureau of Investigations (FBI) intentionally mishandled a terrorist finance investigation being conducted by his office. In addition, we will examine the success and effectiveness of a memorandum of agreement between the FBI and ICE that prescribes the cooperative measures with regard to terrorist finance investigations. This is to be a joint review with the DOJ OIG.

***Inspection Objectives:*** Determine whether: (1) the actions of ICE and FBI personnel were appropriate; and (2) whether the agreement promotes effective and efficient cooperation and coordination of terrorist finance investigations. *Office of Inspections and Special Reviews*

## ***Carryover Projects from FY 2005***

### **Detention of Illegal Aliens**

ICE is responsible for providing safe, secure and humane confinement of persons detained; providing effective control of persons released into the community during

immigration proceedings or while awaiting removal; and, removing individuals, especially criminals and other threats to national security and public safety, who are unlawfully present in the United States. The immigration enforcement process starts with apprehension and ends with a grant of approval to stay in the United States or be removed. The Executive Office of Immigration Review of the DOJ determines the legal status and admissibility of an alien. Aliens are detained according to priorities, such as legal requirements, funding sources, availability of detention facilities, and resource limitations. As required by law, aliens convicted of aggravated felonies are the first priority, followed by other aliens convicted of criminal behavior, with administrative deportation cases given the lowest priority. The detention period varies according to the circumstances of each alien but can be as short as few days and as long as a period of years. The average detention stay is about 40 days.

***Audit Objective:*** Determine whether ICE has sufficient resources and facilities to house detainees. *Office of Audits*

### **Removal of Canadian National to Syria**

The OIG is evaluating the decision by the INS to remove a Canadian and Syrian citizen to Syria where he alleges that he was tortured. The INS at JFK International Airport detained this person on September 26, 2002, while he was returning to Montreal from a family vacation in Tunisia. He was carrying a Canadian passport. According to news reports, U.S. officials alleged that he had connections to al-Qaeda; he was consequently detained and questioned before being removed (an “extraordinary rendition”) to Syria. The Ranking Member of the House Committee on the Judiciary requested the review.

***Inspection Objectives:*** Determine how U.S. immigration officials arrived at their decision to remove this person to Syria and whether the decision was made within prescribed INS policies. *Office of Inspections and Special Reviews*

### **Policies and Procedures Governing ICE Disciplinary Process**

This review will evaluate efforts undertaken by ICE to establish a single, integrated disciplinary process among its subordinate agencies that can be characterized as being uniform, timely, and equitable in the application of disciplinary action for substantiated employee misconduct. In addition to providing an opportunity to examine ICE’s integration efforts, the review is prompted by difficulty the OIG has encountered in seeking to determine the outcome of completed investigations referred to the component for appropriate action. The review will include: (1) the relationship between the entities that are responsible for investigating employee misconduct and the human resources (HR) entities that are then responsible for processing disciplinary action when allegations of employee misconduct appear to be substantiated; (2) any backlogs that may exist involving substantiated cases of employee misconduct for which no disciplinary action has been prescribed; and (3) the length of time taken to prescribe disciplinary action in response to what appear to be substantiated cases.

**Inspection Objectives:** Determine whether ICE personnel rules and practices are in line with DHS and Office of Personnel Management policies and other relevant documents, such as collective bargaining agreements, that may affect the disciplinary process. Determine ICE's due diligence, timeliness, and consistency in applying disciplinary rules and practices. *Office of Inspections and Special Reviews*

## MANAGEMENT

### **(New) Letter Response on H-1B Petition Issues (Congressional)**

The Chairman of the Subcommittee on Immigration, Border Security, and Claims of the House Judiciary Committee requested additional information related to the OIG Office of Inspection's report, "*USCIS Approval of H-1B Petitions Exceeded 65,000 Cap in Fiscal Year 2005*" (OIG-05-49). The Chairman asked whether a violation of the Antideficiency Act occurred when USCIS exceeded the cap.

**Audit Objective:** Investigate whether the *Antideficiency Act* was violated by USCIS when it processed and approved H-1B petitions in excess of the 65,000 statutory limit. Results will be included in a letter of response to the Chairman. *Office of Audits*

### **(New) FY 2006 Audit of DHS Corrective Action Plans**

DHS and its components are developing corrective action plans to address the 10 material weaknesses identified by the financial statement auditor. An effective corrective action plan process is an important tool and control activity for correcting problems and holding responsible parties accountable for progress. The corrective action plan process is an important element of DHS' internal control structure. The OIG has contracted with DHS' financial statement auditor to perform a series of performance audits to assess DHS' progress in implementing an effective corrective action plan process, in support of the FY 2006 audit of internal control over financial reporting, as required by the *DHS Financial Accountability Act*.

**Audit Objective:** To assess DHS' progress in implementing an effective corrective action plan process. *Office of Audits*

### **FY 2006 Audit of DHS' Internal Controls over Financial Reporting (Mandatory)**

The *DHS Financial Accountability Act* requires DHS to obtain an opinion on DHS' internal control over financial reporting on an annual basis starting with FY 2006.

**Audit Objective:** To perform an examination of the effectiveness of DHS' internal control over financial reporting in order to form an opinion thereon in compliance with the *DHS Financial Accountability Act*. *Office of Audits*

### **Buy American Act Compliance (Mandatory)**

The *Buy American Act of 1933* was enacted during the Depression to foster and protect American industry and workers. The *Buy American Act* requires federal agencies to grant a preference to American made goods and materials for public use. House Report 109-79, *Appropriations for the Department of Homeland Security for the Fiscal Year Ending September 30, 2006*, requires the OIG to audit DHS' compliance with the *Buy American Act* and to submit the report at the same time the President submits the FY 2007 budget to the Congress.

***Audit Objective:*** Determine the status of DHS' implementation of the recommendations made in the OIG's prior audit report. *Office of Audits*

### **FY 2006 Audit of DHS' Consolidated Financial Statements (Mandatory)**

The *Chief Financial Officers Act of 1990* requires that an annual financial statement audit be performed at DHS. The OIG contracted with an independent public accounting firm to conduct the audit. Individual audits of CBP, Transportation Security Administration (TSA), and FLETC financial statements will be performed in conjunction with the consolidated financial statement audit.

***Audit Objectives:*** Determine and report on the fairness of presentation of DHS, CBP, TSA, and FLETC FY 2006 financial statements; obtain an understanding of internal control over financial reporting, perform tests of those controls to determine audit procedures, and report on weaknesses identified during the audit; perform tests of compliance with certain laws, regulations, and provisions of contracts or grant agreements, non-compliance with which could have a material effect on the financial statements; and report on non-compliance disclosed by the audit. *Office of Audits*

### **FY 2006 Office of National Drug Control Policy (ONDCP) Review (Mandatory)**

Under 21 USC Sec. 1704(d) and the ONDCP Circular *Drug Control Accounting*, the OIG is required to perform a review of assertions made by management related to FY 2006 obligations for the National Drug Control Program at the following DHS bureaus: ICE, CBP, and the United States Coast Guard (USCG). This audit addresses in part financial performance in the President's Management Agenda.

***Audit Objective:*** Determine and report on the reliability of management's assertions included in their annual accounting of drug control funds. *Office of Audits*

### **Oversight Program and Supporting Audits of Major DHS Contracts**

Major DHS contracts for programs such as Deepwater, United States Visitor and Immigrant Status Indication Technology (US-VISIT) and ACE constitute a significant

portion of DHS annual procurement expenditures. The OIG will conduct continuing oversight of these acquisition programs to monitor program status and identify emerging issues that require further management attention.

The USCG's Deepwater Program is an integrated 20 year, \$17 billion program to upgrade and replace existing deepwater assets (which operate more than 50 miles offshore), such as ships and aircraft with improved operational capabilities. The Deepwater program also provides for improved command, control, communications and computers, intelligence, surveillance, reconnaissance (C4ISR) and innovative logistics support systems.

The US-VISIT program was established in response to congressional mandates for the department to create an integrated automated entry-exit system that records the arrival and departure of aliens and is expected to cost over \$11 billion. The US-VISIT program will deploy equipment at all ports of entry to allow for the verification of aliens' identities and the authentication of their travel documents through the comparison of biometric identifiers.

The ACE program will be the CBP's import and export processing system. The program's goals include facilitating the movement of legitimate trade through more effective trade account management and strengthening border security by identifying import and export transactions that could pose a threat to the United States. The program is expected to cost over \$3.3 billion over 10 years.

***Audit Objective:*** Provide ongoing advice and counsel to DHS managers on (1) the current cost, schedule, and technical performance status of these programs; and (2) to what extent the cognizant DHS agencies are effectively managing these contracts. *Office of Audits*

**Blanket Purchase Agreement (BPA) for Development of the New DHS Human Resources System – MAXHR ([Congressional](#))**

DHS recently awarded a BPA to Northrop Grumman Information Technology to provide technical support services to DHS in developing the new DHS HR System - MAXHR. The significant scope of the MAXHR development effort will likely necessitate significant contractor support. Congress requested that we audit this contract.

Congress requested that the OIG determine: (a) the rationale for using a BPA for this contract, (b) the deliverables this BPA has produced to date, (c) the deliverables expected with the next two years, (d) the scheduled completion date under this BPA, (e) the amount of money expended to date, (f) the role in executing, managing and overseeing this BPA, (g) Northrop Grumman's role in executing, managing, and overseeing this BPA, (h) the respective roles of any subcontractor (if any) tied to the BPA and the deliverables that they have produced to date, and (i) an explanation as to why awarding one BPA that requires many dissimilar HR functions fits the proper use of "contract bundling."

**Audit Objective:** Provide answers to congressional questions and determine to what extent a BPA is effective and appropriate for the MAXHR contract. *Office of Audits*

### **Training and Qualifications of DHS' Acquisition Workforce**

Each member of DHS' acquisition workforce is required to meet education, experience, and training requirements as: (1) outlined by the Office of Federal Procurement Policy; (2) established through DHS' chief procurement officer; and (3) implemented by their head of contracting activity.<sup>1</sup> DHS has established minimum requirements for its program and project managers; contracting professionals; contracting officers; ordering officials; and contracting officer's technical representatives. In April 2005, the Office of Federal Procurement Policy revised its federal acquisition workforce guidance that, among other things, aligned Defense and non-Department of Defense (DOD) training requirements and emphasized the importance of continuous learning.

DHS purchased almost \$9.8 billion of goods and services in FY 2004 through a variety of procurement methods such as contracts, delivery orders, interagency agreements, and purchase cards. In making these procurements, DHS processed almost 60,000 procurement actions, not including credit card purchases.

**Audit Objective:** Determine to what extent DHS ensured that its acquisition workforce met established experience and training requirements. *Office of Audits*

### **(New) Review of DHS Financial Systems Consolidation**

The Electronically Managing Enterprise Resources for Government Effectiveness and Efficiency project will bring together the financial, budget and asset control activities of the 22 DHS component agencies. As part of this effort, the department is making plans to consolidate all DHS components on financial systems currently run by CBP and the USCG.

**Audit Objectives:** Our objective is to determine whether DHS has justified adequately its approach to consolidating financial systems under the project. *Office of Information Technology*

### **Annual Evaluation of DHS' Information Security Program for Fiscal Year 2006** **(Mandatory)**

In response to the increasing threat to information systems and the highly networked nature of the federal computing environment, the Congress, in conjunction with OMB, requires an annual review and reporting of agencies' compliance with the requirements under the FISMA. FISMA includes provisions aimed at further strengthening the security of the federal government's information and computer systems, through the

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<sup>1</sup> The official who has responsibility for managing the entire acquisition function of the individual's particular organizational element (e.g., the former BTS Directorate)

implementation of an information security program and development of minimum standards for agency systems.

***Audit Objective:*** Determine what progress DHS has made in resolving weaknesses cited in the OIG's prior-year review of FISMA compliance. *Office of Information Technology*

### **Review of DHS' Office of the Chief Procurement Officer IT Systems**

DHS' Office of the Chief Procurement Officer relies on a variety of IT systems to oversee the Hurricane Katrina related acquisitions. The implementation of effective IT systems to support acquisition oversight will directly contribute to meeting DHS' mission by ensuring that Hurricane Katrina related recovery efforts receive the supplies and services acquired at the contract established performance standards, schedules, and prices.

***Audit Objectives:*** Determine if the IT systems being used by the Office of the Chief Procurement Officer can (1) identify Hurricane Katrina related procurements; (2) provide an inventory, including numbers and dollar amounts, of these procurements; and (3) report the current status of the procurements. *Office of Information Technology*

### **Review of the Infrastructure Transformation Project Strategy and Implementation**

The Infrastructure Transformation Program is to transform DHS' IT infrastructure from a decentralized delivery model to a centralized and shared IT infrastructure services model for all DHS organizational elements. The DHS IT infrastructure is the set of IT resources and organizational capabilities that are shared across DHS and provide the IT foundation to enable DHS to achieve its mission.

***Audit Objectives:*** Determine whether DHS has adequate technical strategies, implementation plans, contractor oversight, funding, and reporting procedures for the program. *Office of Information Technology*

### **Laptop Computer Security**

As the weight and price of laptops have decreased and their computing power and ease of use have increased, so has their popularity for use as primary or alternate computers for government personnel. However, due to their portability, the use of laptops significantly increases the risk of theft or loss. As a result, there is increased risk that national security or sensitive data may be exposed, possibly resulting in harm to our national infrastructure. Consequently, government organizations that provide for the use of laptop computers must take steps to ensure that the equipment and the information that is stored on them are adequately protected.

***Audit Objective:*** Determine whether DHS has established and implemented adequate and effective security policies and procedures related to the physical security of and logical access to government-issued laptops. *Office of Information Technology*

## **The Use of Radio Frequency Identification Technology at DHS**

Radio frequency identification is an automated data-capture technology that can be used to electronically identify, track, and store information contained on a tag. The development of these inexpensive tags has created a revolution in radio frequency identification adoption as well as made wide-scale use of them a real possibility for government and industry organizations. For example, DHS is using radio frequency identification to track and identify assets, weapons, and baggage on flights.

According to a recent GAO report, the use of the technology has raised several security and privacy considerations that may affect federal agencies' decisions to implement the technology. Key security issues include protecting the confidentiality, integrity, and availability of the data and information systems.

***Audit Objective:*** Determine whether DHS has effectively managed the implementation of radio frequency identification technology to protect its mission critical data from unauthorized access. *Office of Information Technology*

## **Oversight of Contracted Information Technology-Related Testing Performed as part of the Department's Fiscal Year 2006 Audited Financial Statements** **(Mandatory)**

Financial statement audits performed under *The Chief Financial Officers Act of 1990* are intended to play a central role in (1) providing more reliable and useful financial information to decision makers, and (2) improving the adequacy of internal controls and underlying financial management systems. Computer-related controls are a significant factor in achieving these goals and in the auditor's understanding of the entity's internal control structure. Computer-related controls should be considered during all four phases of the audit: the planning phase, the internal control phase, the testing phase, and the reporting phase.

***Audit Objectives:*** Determine whether contracted auditors performed sufficient testing to evaluate the department's general and application controls over critical financial systems and data to reduce the risk of loss due to errors, fraud, and other illegal acts and disasters, and to effectively protect their information infrastructure from security threats or other incidents that cause the systems to be unavailable. *Office of Information Technology*

## *Carryover Projects from FY 2005*

### **Oversight of Contracted Information Technology-Related Testing Performed as a part of the Department's Fiscal Year 2005 Audited Financial Statements (Mandatory)**

Financial statement audits performed under *The Chief Financial Officers Act of 1990* are intended to play a central role in (1) providing more reliable and useful financial information to decision makers, and (2) improving the adequacy of internal controls and underlying financial management systems. Computer-related controls are a significant factor in achieving these goals and in the auditor's understanding of the entity's internal control structure. Computer-related controls should be considered during all four phases of the audit: the planning phase, the internal control phase, the testing phase, and the reporting phase.

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## OFFICE OF INTELLIGENCE AND ANALYSIS

## *Carryover Projects from FY 2005*

### **DHS Disaster Response and Counter-Terrorist Information Sharing with State and Local Governments**

State and local personnel have capabilities and opportunities not possessed by federal agencies to gather information on suspicious activities and terrorist threats. By working together, the various levels of government can maximize the benefits of information gathering and analysis to prevent and respond to terrorist attacks.

*The Homeland Security Act of 2002* gives DHS responsibility for coordinating the distribution of information between federal agencies and state and local governments. DHS is expanding access to and use of the Joint Regional Information Exchange System, via the Homeland Security Information Network, to provide secure real-time connectivity in a collaborative environment for collecting and disseminating information among federal, state, local, and tribal government agencies involved in combating terrorism.

***Audit Objective:*** Determine the efficacy of DHS': (1) strategies, policies, and procedures for collaborating with state and local governments to improve information sharing; (2) activities and systems, such as Homeland Security Information Network/Joint

Regional Information Exchange System, for sharing this information. *Office of Information Technology*

## OFFICE OF POLICY

### **Management of DHS Overseas Operations**

DHS was created with a considerable overseas presence formed by the international operations of its legacy organizations. DHS has since undertaken several significant initiatives to expand foreign operations further: the Container Security Initiative, the Immigration Security Initiative, and the Visa Security Program. The *Intelligence Reform and Terrorism Prevention Act of 2004* calls for considerable future expansion of CBP pre-clearance facilities at airports around the world.

***Inspection Objectives:*** Determine the scope and effectiveness of DHS management of international programs and personnel. This will include an evaluation of the recruitment, training, and deployment of personnel; the budgeting for overseas operations; and the interagency coordination of personnel and operational requirements. Finally, we will determine the effectiveness of DHS management oversight and internal controls of international programs. *Office of Inspections and Special Reviews*

## PREPAREDNESS

### **Audit of DHS' Continuity of Operations Planning**

In the post 9-11 environment, contingency planning and business continuity are critical. According to Federal Preparedness Circular 65: "It is the policy of the United States to have in place a comprehensive and effective program to ensure continuity of essential federal functions under all circumstances." A continuity of operations plan (COOP) facilitates the performance of department/agency essential functions during any emergency or situation that may disrupt normal operations. All federal agency organizational elements and components must have a viable COOP capability and plan in place that ensures the performance of their essential functions during any emergency or situation that may disrupt normal operations.

***Audit Objective:*** Determine whether TSA has a viable COOP in place. *Office of Audits*

### **New York State's Management of the Urban Area Security Initiative Grant Program**

The Office for Domestic Preparedness' (ODP), now the Office of Grants and Training (G&T), Urban Area Security Initiative Grant Program provides federal assistance to

states to protect critical infrastructure and to prevent, prepare for, and respond to terrorist incidents in high threat urban areas. Grant funding covers equipment, training, exercises, and planning costs, and in some instances operational activities costs. Funding is determined using a combination of current threat estimates, critical assets within the urban area, and population density. Since program inception in FY 2003, New York has received \$524 million, or 22 percent of the \$2.4 billion in total Urban Area Security Initiative grant funding available from FY 2003 through FY 2005.

***Audit Objectives:*** Determine to what extent the State of New York has established effective oversight and program controls that are in-line with the federal program and whether preparedness funding is having the intended effect on the State's ability to prevent, prepare for, and respond to terrorist incidents in urban areas. *Office of Audits*

### **Audits of First Responders' Grants**

ODP provides state and local governments with grants to improve their readiness for terrorism incidents. Most of the grant funds are provided for first responders, i.e., police, fire, rescue, and emergency personnel, for equipment, exercises, training, planning, and administrative costs associated with combating terrorism.

***Audit Objectives:*** Determine to what extent grant recipients properly accounted for and used grant funds, and complied with applicable federal regulations and DHS guidelines. *Office of Audits*

### **States' Management of First Responder Grants Program**

G&T is responsible for enhancing the capabilities of state and local jurisdictions to respond to, and mitigate the consequences of, incidents of domestic terrorism. G&T awards federal "first responder" grant funds to states to assist local jurisdictions in acquiring specialized training, conducting preparedness exercises, and acquiring equipment needed to respond to and manage incidents involving weapons of mass destruction, and planning and administering grants. Between FY 2003 and FY 2005, about \$5.2 billion was available for grant awards to first responders and the annual grant programs have received substantial congressional and public interest in how states are using these grants. Given that our current ongoing audit work has identified that states' efforts for managing grant awards needs improvement, we will initiate audits in Ohio, Florida, Georgia, Pennsylvania, New Jersey, and Michigan. Private audit firms under contract with the OIG will perform these audits. We have also decided to conduct an audit in Colorado.

***Audit Objectives:*** Determine to what extent states are effectively and efficiently implementing the First Responder Grant Program, achieved the goals of the program, and spent funds according to grant requirements. The ultimate goal of these reviews will be to identify problems and solutions that will help the states respond to terrorist attacks. The report on the state of Indiana was issued. The Virginia and North Carolina reports are in process. Contracts have been awarded for the six states referenced above. *Office of Audits*

## **Compliance Audits of the Assistance to Firefighters Grant Program**

The Assistance to Firefighters Grant Program provides direct federal assistance, on a competitive basis, to fire departments of a state or tribal nation for the purpose of protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards. The funds can be used for fire training, prevention, maintenance, equipment, vehicles emergency medical services, personnel, and rapid response teams. We will initiate audits of grant awards to 10 fire departments in each of the following states: California, Illinois, and New York. Private audit firms under contract with the OIG will perform these audits.

***Audit Objectives:*** Determine whether grant recipients properly accounted for and used grant funds, and complied with other financial and program requirements. *Office of Audits*

## **(New) Review of the National Biosurveillance Integration System (NBIS)**

The Office of Preparedness serves as a lead agency in the development and operation of the NBIS. The purpose of this system is to detect biological and chemical attacks and coordinate the real-time integration of biosurveillance data with threat information and recommended responses. This function is aligned with the DHS strategic goal of awareness, which includes identifying and understanding threats, assessing vulnerabilities, determining potential impacts and disseminating timely information to our homeland security partners and the public.

In support of the DHS Medical Officer's role, to ensure a coordinated and unified approach to medical readiness by providing data-driven, scientifically based policy and advice to advocate public health needs, NBIS officials forecast that 20% of agencies representing the U.S. health community will be sharing timely information through the system in FY2007.

***Audit Objectives:*** Our objectives are to determine whether NBIS meets user requirements in support of The Strategy for Pandemic Influenza, and assess the extent to which NBIS complies with information security and privacy standards and policies. *Office of Information Technology*

## **DHS Information Sharing for Critical Infrastructure Protection**

There is concern about whether the federal government is effectively communicating and sharing information with private industry to help ensure rapid and effective response to failures of, or potential attacks on, critical sector operations. Sector disruptions or denials of service for an extended period of time can cause a dangerous ripple effect of death and destruction across the nation's infrastructure. For example, as highlighted by the Thursday, 8/14/03 blackouts in the northeastern USA and Canada and the wide-spread power outages pursuant to Hurricane Isabel the following month, massive regional

electrical failures may be a potential goal of our terrorist enemies, raising concerns about the vulnerability of U.S. public sector operations to possible enemy attack.

DHS is responsible for analyzing, prioritizing, and sharing information with sector organizations to help safeguard or address potential disruptions to critical sector operations.

***Audit Objective:*** Determine the effectiveness of DHS' strategies and tools for communicating and collaborating with private industry to ensure rapid response to potential failures of or attacks on critical sector operations. *Office of Information Technology*

### **Equipment Eligibility/Identification Under the Buffer Zone Protection Program (BZPP)**

In FY 2005, the department announced the availability of \$91.3 million in grant funding to protect and secure areas surrounding critical infrastructure and key resource sites such as chemical facilities, dams, and nuclear plants across the country. Through its BZPP, the department is providing funding to states to purchase equipment that will extend the zone of protection beyond the gates of these critical facilities. The approach provides federal, state and local officials and first responders with the necessary tools and resources to protect their community assets. Initial BZPP assets were selected subjectively by DHS.

***Inspection Objectives:*** Determine: (1) the adequacy of the process used to identify BZPP assets and eligibility criteria for BZPP investments, (2) the utility of BZPPs' equipment purchasing plans, (3) whether equipment purchases are unique to this program and extent that they are available through other programs such as State Homeland Security Grants, the Urban Area Security Initiative, and first responder grant programs, (4) the extent that purchases are clearly designed to reduce vulnerabilities in areas surrounding critical infrastructure and key resources, and (5) whether DHS has modified its methodology for selecting future BZPP sites. *Office of Inspections and Special Reviews*

### ***Carryover Project from FY 2005***

### **Audit of State and Local Spending of First Responder Grant Funds ([Congressional](#))**

The OIG initiated an audit of state and local spending of, and accountability for, first responder grant funds awarded by ODP. This audit is being conducted pursuant to a request from the House Judiciary Committee.

***Audit Objective:*** Determine to what extent states and local jurisdictions spent ODP's FY 2002, FY 2003, and FY 2004 State Domestic Preparedness/Homeland Security Grants according to regulations and grant requirements; and, whether controls and reporting requirements were adequate to ensure proper spending of those funds. *Office of Audits*

### **Public Sector Infrastructure Protection (sector to be determined)**

The nation's critical infrastructure is categorized into 13 infrastructure "sectors" and five types of key assets. There are eight federal lead departments and agencies, including DHS, which have a role in coordinating protection activities and cultivating long-term collaborative relationships. While other federal departments have lead responsibility for sectors involving agriculture, food, water, public health, energy, banking and finance, chemical industry and hazardous materials, and the defense industry base, DHS remains responsible for cooperation and coordination among the federal participants.

***Inspection Objectives:** Determine how well DHS is collaborating with and overseeing the work of other federal departments or agencies with respect to the identification of critical assets and coordination of mitigation strategies in a specific sector. This review may result in sequential studies and reports on other individual sectors. *Office of Inspections and Special Reviews**

### **An Assessment of the Highway Watch® Program**

Every day up to 3.2 million tractor-trailers use U.S. highways. To leverage the skills of these "eyes and ears" along this vast and open transportation network, ODP is administering a cooperative agreement with the American Trucking Association to expand the Highway Watch® program to promote security awareness and information sharing among all segments of the commercial motor carriers and transportation community. Between FY 2003 and FY 2005, the Trucking Security Grant Program has provided \$46 million to train the nation's transportation community to recognize potential highway safety hazards and to detect security threats and avoid becoming a target for terrorist activity. Trained Highway Watch® members make their reports to the Highway Watch® Call Center, which routes the call to the appropriate law enforcement authorities. Security-related information is forwarded to the Highway Information Sharing and Analysis Center where it is processed, analyzed, and shared with government intelligence officials and other law enforcement agencies.

***Inspection Objectives:** Determine whether the roles and responsibilities of the various entities involved in the grant program and Highway Watch® are clearly defined and whether the grant program is fulfilling its mission of enhancing security on our nation's highways. *Office of Inspections and Special Reviews**

### **Management of the National Asset Database**

*Homeland Security Presidential Directive 7* establishes a national policy for federal departments and agencies to identify and prioritize critical infrastructure and key resources and protect them from terrorist attacks. To support this policy, the Assistant Secretary for Infrastructure Protection is responsible for creating and maintaining a national database of potential terrorist targets.

**Inspection Objectives:** Determine the efficacy of the processes used by the Office of Infrastructure Protection to develop a prioritized list of the nation's critical infrastructure and assets, including: (1) collecting, analyzing, and prioritizing information in the national asset database, as well as how the database is used to support management decisions; (2) tools and other resources used by the Assistant Secretary for Infrastructure Protection that directly support the population or use of information in the database; (3) the Office of Infrastructure Protection's relationships with DHS organizations and entities that it engages to carry out critical infrastructure protection initiatives; and (4) the status of the Protected Critical Infrastructure Information Program and the National Infrastructure Protection Plan, as each pertains to the database. *Office of Inspections and Special Reviews*

## SCIENCE AND TECHNOLOGY

### **Plum Island Animal Disease Center**

The Plum Island Animal Disease Center is responsible for research and diagnosis to protect United States animal industries and exports against catastrophic economic losses caused by foreign animal disease agents accidentally or deliberately introduced into the U.S.

In June 2003, the land, buildings, and other facilities of the Plum Island Animal Disease Center were transferred to DHS. The department is responsible for the safety and security of the center, but the facility is staffed and operated by Department of Agriculture personnel. Plum Island is located off the northeastern tip of New York's Long Island.

**Audit Objective:** Determine whether Science and Technology (S&T) has established adequate physical and logical security controls for the sensitive systems and data housed in the Plum Island Animal Disease Center. *Office of Information Technology*

## TRANSPORTATION SECURITY ADMINISTRATION

### **(New) Reporting of Air Cargo Inspection Data (Congressional)**

In an April 6, 2006 letter, the Ranking Member, House Appropriations Committee, Subcommittee on Homeland Security, expressed concern that TSA was not complying with reporting requirements contained in Section 513 of the 2006 DHS Appropriations Act (Public Law 109-90) related to air carrier compliance with screening requirements for cargo carried on commercial passenger aircraft. Section 513 requires the Secretary of Homeland Security to report bi-weekly to the Committee if TSA is not in compliance with Section 513 of the 2005 DHS Appropriations Act (PL 108-334), which requires a three-fold increase in inspection of air cargo on passenger aircraft. In addition, the Act requires TSA to report to the Senate and House Appropriations Committees bi-annually

on the percentage of air cargo inspected at each airport. In the letter, he stated that the Committee has yet to receive the required reports from TSA. During subsequent discussion with his staff, we were asked to determine the reasons why TSA has not reported to the Committee, as well as to determine whether TSA has an adequate system to determine air carrier compliance with increased cargo screening requirements.

***Audit Objectives:*** Determine 1) why TSA has not reported incidents of noncompliance on a biweekly basis to the House and Senate Committees in accordance with Section 513 of Public Law 109-90; and 2) whether TSA has a reliable system in place to ensure that cargo screening by air carriers for passenger aircraft has tripled in accordance with Section 513 of Public Law 108-334. *Office of Audits*

**(New) TSA's Responsibilities under the Federal Employees' Compensation Act (FECA)**

The Congress and media have criticized TSA for the agency's rising and disproportionately high injury claims, primarily in its screener workforce. It was reported that TSA employees had an injury rate at five times the rate of the Federal workforce, four times as high as construction workers, and seven times as high as miners, and that screeners missed nearly a quarter-million work days. Fewer available screeners has resulted in high overtime costs, closed screening lanes, and missed training, consequently putting security at risk. While the *Federal Employees' Compensation Act* program is administered by the Department of Labor, federal agencies have significant responsibilities for managing the program, submitting documentation in a timely manner, assisting employees in returning to work, challenging questionable claims, and managing compensation costs.

***Audit Objective:*** Determine if TSA is effectively managing the FECA program and taking steps to reduce the number of workplace injuries, lost workdays and minimizing FECA-related compensation costs. *Office of Audits*

**(New) Application of Security Regulations by Air Carriers Related to Cargo Carried by Passenger Aircraft**

The Aviation and Transportation Security Act of 2001 requires the screening of all passengers and property, including cargo shipped on passenger aircraft. Passenger air carriers operating within the U.S. that transport cargo are required to comply with TSA cargo security requirements set forth in TSA-approved security programs, intended to prevent acts of air piracy and the introduction of explosive or incendiary devices into cargo. Regulations require aircraft operators to inspect all cargo at the time of acceptance for visual signs of tampering, exposed wires, or leaks that may render the cargo unsafe to transport. In addition to the initial visual inspection, TSA requires the air carriers to perform more in-depth screening on a certain percentage of cargo being transported on passenger aircraft. Although TSA has established requirements for passenger and all-cargo carriers to randomly inspect cargo they transport, a significant portion of cargo is exempted from inspection because of its nature and size.

**Audit Objective:** Determine if aircraft operators are appropriately applying regulations concerning the screening of cargo transported on passenger aircraft. *Office of Audits*

### **New Technologies to Screen Passengers and Their Property**

During the last two years, our office has conducted two audits of screeners' ability to detect threat items on passengers and in their carry-on and checked baggage. The OIG recommended that TSA make better use of technology to improve screeners' ability to detect and prevent prohibited items from being carried on board aircraft. In its official response to our report, TSA stated that it is in agreement with our conclusion that significant improvements in screener performance will only be possible with the introduction of new technology. TSA has several pilot programs at airports nationwide, such as the explosive trace portal, backscatter systems, and the explosive detection document scanner.

**Audit Objectives:** Determine the status of TSA's evaluation, deployment, and testing of new screening technologies. *Office of Audits*

### **Adequacy of Maritime Passenger Security**

Part of TSA's maritime passenger security branch is responsible for securing passenger vessels. However, the extent of their involvement is unknown. With the volume of passengers that use this form of travel, ensuring security and efficient processing is paramount. Cruise ships and commuter ferries represent a highly vulnerable terrorism target, given the large volume of passengers concentrated on a transportation platform.

The Marine Transportation System processes more than 9.4 million cruise ship passengers each year. Over 24 million passengers ride the Seattle, WA, ferry system annually, while the Staten Island ferry carries over 65,000 passengers daily. TSA partners with the International Council of Cruise Lines, state and local governments, the USCG, and other federal law enforcement agencies to ensure the safety of cruise ships and ferries.

**Audit Objective:** Determine to what extent TSA has established adequate measures to protect ferry and cruise ship passengers from terrorist attacks. *Office of Audits*

### **Transportation Worker Identification Credentialing**

TSA established the Transportation Worker Identification Credentialing program in December 2001. The program implements a standardized secure credential for the identification of transportation workers whose duties require unescorted physical access to secured areas of the nation's transportation system, or logical access to computer-based information systems that relate to the security of the transportation system. The identification credentialing program ensures that the identity of each credential holder has

been verified; that a threat assessment has been completed on that identity; and, that each credential issued is linked to the rightful holder through the use of biometric technology.

***Audit Objective:*** Determine whether security controls are effective to safeguard personal information for the systems supporting the Transportation Worker Identification Credentialing program. *Office of Information Technology*

## ***Carryover Projects from FY 2005***

### **Aviation Security Service Fees**

TSA requested that we review the collection of passenger security fees and the infrastructure security fees computed and collected by three different airlines. These fees were instituted after the federal government took over the responsibility for aviation security post September 11, 2001.

***Audit Objectives:*** Determine whether: (1) the collection and remittance to TSA of passenger and infrastructure security fees were accurate, (2) the controls used by TSA and air carriers to ensure proper payment were effective, and (3) TSA complied with legislative reporting requirements and guidelines. *Office of Audits*

### **Access to Secure Areas at Airports**

Controlling access to secure airport areas, where only authorized airport employees and contractors are allowed, is paramount to ensuring the safety of the flying public. Airports have improved security practices by requiring that only passengers with boarding passes be allowed entry to the security checkpoints. This requirement and others should reduce the opportunity for terrorist activity.

***Audit Objectives:*** Determine whether the airline industry complied with federal aviation requirements to allow only authorized personnel access to secure airport areas, and review the coordination and authorities of the federal security directors and other stakeholders at airports. *Office of Audits*

### **TSA Non-Screener Administrative Positions ([\*Congressional\*](#))**

On July 6, 2005, the Chairman, Aviation Subcommittee of the House Committee on Transportation and Infrastructure, wrote the Secretary of DHS and the Chairmen of the House and Senate Appropriations Committees, Subcommittees on Homeland Security, to request immediate and appropriate legislative or administrative action to reduce, or place a cap on, TSA non-screener administrative staffing positions at airports around the country. The letter noted that all federal airport screening operations are top heavy in administrative positions and TSA staffing is redundant and duplicative of the qualified screening company personnel at the airports participating in the private screener pilot

program. The letter also requested that our office review TSA’s administrative staffing levels and consider the need for a cap on these positions.

***Inspection Objectives:*** Determine whether the ratio of administrative staffing positions that support the 45,000 passenger and baggage screeners is reasonable and there is consistency between the position descriptions and workload. *Office of Inspections and Special Reviews*

## UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

### **(New) U.S. Citizenship and Immigration Services IT Modernization Follow-Up**

One main priority of USCIS is to reduce the immigration benefits processing backlog, as requested by President Bush in 2001. To achieve this goal, USCIS planned significant IT improvements to transform its benefits application processing. In our September 2005 report, *USCIS Faces Challenges in Modernizing Information Technology* (OIG-05-41), we identified several challenges, such as an unfocused improvement approach as well as DHS reorganization and new security requirements, that are hindering USCIS from achieving its IT modernization objectives.

***Audit Objectives:*** Our objective is to assess the progress made in USCIS’ approach to improving its IT to support immigration benefits processing, in response to our September 2005 report. *Office of Information Technology*

## UNITED STATES COAST GUARD

### **Maintenance and Re-capitalization of Shore Facilities in Support of Coast Guard Missions**

The USCG occupies over 33 million square feet of building space, located at more than 1,600 sites, and owns 65,000 acres. The USCG estimates it has over 21,000 buildings and structures. The estimated replacement value for these shore side assets is \$7.5 billion. Based on this value, and recent and projected shore infrastructure acquisition, construction, and improvement (AC&I) funding levels, USCG’s recapitalization rate<sup>2</sup> hovers around 200 years. To put this into perspective, the DOD’s target recapitalization rate for its facilities is 67 years.

Twice each year the USCG updates its shore facilities requirements list, which is the planning document used to “ensure that planning, development, and execution of shore construction provides maximum benefit from USCG’s limited AC&I resources.” Projects

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<sup>2</sup> Re-capitalization rate is the number of years required to regenerate a physical plant – either through replacement or major renovation – at a given level of investment in order to keep the facility modern and relevant in an environment of changing standards and missions.

on this list are divided into three categories: major AC&I (projects valued at over \$1.5M), minor AC&I (projects valued between \$200k and \$1.5M), and housing AC&I (any value).

The typical AC&I project requires 5-7 years to complete: three years to plan, two years to obtain funding and complete the design, and another 1-2 years to construct. Under their respective Maintenance and Logistics Command, USCG's Facilities Design and Construction Centers (Atlantic Area and Pacific Area) typically manage the larger AC&I projects. USCG Civil Engineering Units handle some minor AC&I projects, as well as non-recurring maintenance projects.

***Audit Objective:*** Determine the extent to which the USCG is adequately maintaining and re-capitalizing shore facilities in support of USCG missions. The audit will also determine the extent to which the condition of these shore facilities is adversely impacting asset readiness, asset service life, and overall mission performance. *Office of Audits*

### **Maritime Intelligence Operations Involving High-Risk Vessels Entering U.S. Ports**

The USCG is responsible for identifying, detecting, tracking, boarding, inspecting, and escorting high interest vessels that may pose a substantial risk to U.S. ports due to the composition of a vessel's crew, passengers and/or cargo. More than 8,000 vessels make 51,000 port visits each year. As a result of *The Maritime Transportation Security Act of 2002*, the USCG has instituted strict reporting requirements for all vessels arriving/departing U.S. seaports, and has developed a sophisticated decision-making matrix to target high interest vessels, cargoes, and crews. Responding to high interest vessels requires a substantial commitment of personnel, equipment, and funding.

Local captains of the ports designate high interest vessels based on the targeting matrix, which includes data from the Intelligence Coordination Center and the local field intelligence support teams. For example, analysts at the Intelligence Coordination Center conduct automated analyses that match crew lists, provided under 96-hour notice of arrival regulations, with law enforcement (criminal and immigration) and anti-terrorism databases to determine if there is a threat. Commandant instruction mandates that all high interest vessels be boarded. However, the manner in which these boardings are executed is the responsibility of the local sector commander.

***Audit Objectives:*** Determine the extent of the USCG's ability to identify, detect, track, board, inspect, escort, and/or divert, as necessary, all high interest vessels before they enter a U.S. port. *Office of Audits*

### **Coast Guard Mission Performance ([Mandatory](#))**

*The Homeland Security Act of 2002* directs the OIG to conduct an annual review that assesses the performance of all USCG missions, with a particular emphasis on non-homeland security missions. Homeland security missions include illegal drug

interdiction; undocumented migrant interdiction; foreign fish enforcement; ports, waterways, and coastal security; and defense readiness. Non-homeland security missions consist of search and rescue, aids to navigation, ICE operations, living marine resources, marine safety, and maritime environmental protection.

Many of the non-homeland security missions have been severely tested during the response efforts to Hurricane Katrina, which caused severe devastation and flooding to the Gulf Coast in August 2005. The effects of Hurricane Katrina on USCG's ability to conduct both homeland security and non-homeland security missions will be assessed during this review.

***Audit Objective:*** Determine the extent of USCG's readiness and ability to perform all missions and the extent to which USCG's response to Hurricane Katrina impacted readiness and ability. *Office of Audits*

### **Integrated Deepwater System (IDS) Program**

Many of the USCG's border and maritime defense missions demand multi-mission cutters and aircraft forces that are able to operate effectively across a broad geographic spectrum, from U.S. coastal and port regions to offshore regions far out to sea. The assets that the USCG currently uses to fulfill its missions are aging and technologically obsolete. To address this problem, in the late 1990's the USCG established the IDS program—the largest performance-based acquisition in the U.S. The IDS Program is not just new ships and aircraft, but an integrated approach to upgrading existing assets while transitioning to newer, more capable platforms with improved command, control, communications and computers, intelligence, surveillance, reconnaissance, and innovative logistics support systems.

***Audit Objectives:*** Determine the effectiveness of IT used in the IDS program to (1) provide the USCG with a significantly improved ability to detect, identify, and respond appropriately to maritime challenges; (2) improve the ability to intercept and engage activities that pose a direct threat to U.S. sovereignty and security; and (3) coordinate and integrate with related programs (i.e., RESCUE 21). *Office of Information Technology*

### **Review of U.S. Coast Guard Enterprise Architecture (EA) Implementation Process**

The DHS' EA framework establishes the roadmap to achieve an agency's mission through optimal performance of its core business processes within an efficient IT environment. EAs are blueprints for systematically and completely defining an organization's current or desired environment. EAs are essential for evolving information systems and developing new systems that optimize their mission value.

***Audit Objectives:*** Determine the level of compliance with established federal guidance and DHS EA policies and procedures, and whether or not the USCG has aligned its

strategic plans and individual business priorities within an appropriate EA framework.  
*Office of Information Technology*

### ***Carryover Projects from FY 2005***

#### **Review of the Helicopter Interdiction Tactical Squadron (HITRON) Aircraft Procurement**

HITRON was established in 1999 to interdict “go fast” boats transporting drugs to the United States. In May 2003, the Secretary announced that the HITRON would be used for counter-terrorism missions. Located in Jacksonville, FL, HITRON currently consists of eight leased commercial helicopters, which were procured and modified to perform the USCG’s Airborne Use of Force Mission. Of particular concern is whether the USCG acted properly when it amended aircraft performance and safety equipment requirements for the award-winning aircraft.

***Audit Objectives:*** Determine whether: (1) the management oversight exercised by the USCG over the aircraft procurement and modification phases of the project was adequate; (2) the USCG’s decision to transfer contract administration duties and responsibilities for the HITRON project to the Deepwater Integrated Coast Guard Systems (ICGS) was cost effective; and (3) the ever-increasing use of HITRON aircraft to perform homeland security missions had an adverse impact on the USCG’s traditional non-homeland security mission. *Office of Audits*

#### **Ability to Perform All USCG Missions (*Mandatory*)**

*The Homeland Security Act of 2002* directs the OIG to conduct an annual review that assesses the performance of all USCG missions, with a particular emphasis on non-homeland security missions. Homeland security missions include illegal drug interdiction; undocumented migrant interdiction; foreign fish enforcement; ports; waterways, and coastal security; and defense readiness. Non-homeland security missions consist of search and rescue, aids to navigation, ICE operations, living marine resources, marine safety, and maritime environmental protection.

The USCG has been operating under elevated threat level conditions since September 2001. This has resulted in a steady increase in the number of aircraft, cutter, and small boat resource hours devoted to USCG missions including homeland security. However, the USCG has not seen a corresponding increase in the number of trained and experienced personnel to support the ever-increasing operations tempo associated with these missions. Further, the USCG is experiencing an unprecedented decline in the material condition and operational readiness of its aircraft and cutter fleets. As a result, there is increasing concern regarding the USCG’s ability to support operations at the higher threat levels or to respond to natural disasters without compromising its ability to perform its non-homeland security missions. The USCG’s response to recent threats to the U.S. ferry system during May of 2005 and its subsequent response to the aftermath of

Hurricanes Katrina and Rita are just two recent examples of the challenges facing the USCG.

***Audit Objective:*** Determine the extent of USCG's readiness and ability to perform all missions. The review will also examine the extent to which Hurricanes Katrina and Rita impacted the USCG's ability to perform its non-homeland security missions. *Office of Audits*

### **Acquisition of the National Security Cutter, USCG Deepwater Program**

The Maritime Security Cutter, Large is the first major surface asset to be produced under the IDS program. It will be the largest and most technically advanced of the three new classes of cutters designed and built by ICGS, the partnership between Northrop Grumman and Lockheed Martin. Not a direct one-for-one asset replacement, the 8 planned cutters will replace the 12 existing 378-foot High Endurance Cutters (WHEC) - which entered the USCG inventory in the 1960s - under the Deepwater concept of a "system-of-systems." USCG's legacy Deepwater assets, the WHECs and medium endurance cutters, exhibit rapidly decreasing operational readiness and associated increases in maintenance cost due to the age of the fleet and increased operations tempo. From 1999 to 2004, the number of unscheduled maintenance days has increased 400 percent from 85 to 358. The limited performance capabilities of the WHECs severely impact USCG's ability to meet current mission requirements, especially with its increased role in homeland security operations. The eight cutters will be delivered over a ten-year period with the first scheduled for delivery in May 2007. The lead national security cutter is projected to cost \$480M under a cost-plus-incentive contract; the cost of the follow-on cutters is estimated to be \$350M per ship under a fixed-price contract. Certain design elements of the national security cutter have yet to be finalized. ICGS has identified some of these design elements as top program risks and is working to mitigate and eliminate them.

***Audit Objectives:*** Determine to what extent the oversight roles and decision-making authorities held by ICGS and USCG during the design and construction of the national security cutters are effective in ensuring (1) the structural integrity of the vessel, (2) the vessel is completed on time and within budget, and (3) the vessel achieves established operational capabilities. *Office of Audits*

## **US-VISIT**

### **US-VISIT Program Operational and Cost Controls**

The US-VISIT program was established in response to several congressional mandates for the department to create an integrated automated entry-exit system that records the arrival and departure of aliens. The US-VISIT program deploys equipment at all ports of entry to allow for the verification of aliens' identities and the authentication of their travel documents through the comparison of biometric identifiers. The process begins overseas

at the U.S. consular offices issuing visas, where visitors' biometrics (digital finger scans and photographs) are collected and checked against a database of known criminals and suspected terrorists. The entry-exit system is to record alien arrival and departure information from these biometrically authenticated documents. Using biometrics to match identities of the person at our port to the person who received the visa would help our CBP officers make better admissibility decisions and ensure the overall integrity of our immigration system.

***Audit Objective:*** Determine the extent to which adequate operational requirements have been defined and whether risk-management and cost controls have been implemented.  
*Office of Audits*

## MULTI-COMPONENTS

### **Disaster Response Communications Effectiveness**

After Hurricane Katrina struck the Gulf Coast in August 2005, questions were raised as to the adequacy of communications among law enforcement and emergency personnel at all levels of government to enable them to effectively coordinate disaster response. According to the National Strategy for Homeland Security, an essential part of disaster management is seamless communications among all responders. Specifically, the National Strategy states, "It is crucial for response personnel to have and use equipment, systems, and procedures that allow them to communicate with one another." Communications failures can seriously compromise rescue and security missions, as evidenced during Hurricane Katrina. New Orleans police took turns using a single radio channel with walkie-talkies to communicate during the initial response, while the National Guard in Mississippi resorted to pen and paper.

***Audit Objectives:*** Determine the effectiveness of the department's plans and activities to ensure effective communications within DHS and across the federal community to support disaster response and recovery. *Office of Information Technology*

### **Annual Evaluation of DHS' Information Security Program (Intelligence Systems) for Fiscal Year 2006 (Mandatory)**

Identifying potential information security threats to DHS' intelligence systems is key in evaluating DHS' intelligence program. In response to the increasing threat to information systems and the highly networked nature of the federal computing environment, the Congress, in conjunction with the intelligence community's chief information officer and OMB, require an annual evaluation and reporting of the security program over agencies intelligence systems.

***Audit Objectives:*** Determine what progress DHS has made in resolving weaknesses cited in the OIG's prior-year review. *Office of Information Technology*

## **DHS Data Mining**

Data mining refers to the use of computer programs to search vast stores of records, including private information, for hidden patterns and relationships among disparate pieces of information. This process is increasingly being practiced to support a range of activities—from improving financial performance to human resource management. For DHS in particular, data mining represents a significant advance in the type of analytical tools available to identify behavioral patterns that could indicate risk to the United States including movement across borders, linking violent criminal information to terrorist databases, and tracking money transfers and communications by known terrorists.

***Audit Objectives:*** Determine whether DHS’ data-mining efforts and administrative oversight and controls over data-mining activities comply with security and privacy laws, polices, and procedures. *Office of Information Technology*

## **Technical Security Evaluation Program of DHS Work Sites**

DHS needs to assure that technical and information security standards and policies are being followed at its hundreds of workplace sites. We have developed and planned to test a methodology for assessing compliance with technical security standards at DHS sites.

***Audit Objectives:*** On an on-going basis, at DHS sites, determine the effectiveness of safeguards and compliance with technical security standards, controls, and requirements. *Office of Information Technology*

## **DHS Maritime Alien Interdiction**

Thousands of people try to enter this country illegally every year using maritime routes, many via smuggling operations. Interdicting migrants at sea means they can be quickly returned to their countries of origin without the costly processes required if they successfully enter the United States, its territories, or possessions.

The USCG, CBP, and ICE are all responsible for interdiction of illegal aliens attempting to enter the United States by sea. The USCG conducts patrols and coordinates with other federal agencies and foreign countries to interdict undocumented migrants at sea. CBP and ICE also enforce and administer immigration and nationality laws in conjunction with the inspection of all persons seeking admission into the United States, and identify and counter drug-related criminal activity. CBP and ICE have small boats close to shore that may interdict migrants during their patrols. Any other agency that interdicts migrants at sea, such as the U.S. Navy, will turn them over to the USCG, which detains them until their disposition is determined by USCIS.

***Inspection Objectives:*** Determine (1) how DHS agencies interdict illegal aliens attempting to enter the U.S. by sea, (2) how DHS agencies coordinate interdiction efforts with other agencies, (3) how interdicted aliens are detained and/or repatriated, and

(4) whether DHS is allocating the necessary resources to effectively complete their mission with regard to maritime interdiction. *Office of Inspections and Special Reviews*

### ***Carryover Project from FY 2005***

#### **DHS Intelligence Collection and Dissemination**

DHS is responsible for guarding our borders and preventing illegal aliens, narcotics and other contraband from entering the country. Since September 11, 2001, securing our borders has taken on a new emphasis of preventing terrorists from entering the country. DHS must secure 95,000 miles of coastline and 7,000 miles of land border with limited resources. To maximize the effectiveness of those resources, DHS uses intelligence as a force multiplier. DHS must collect, analyze, and disseminate intelligence not only within its internal components, but also with agencies outside of DHS such as the DOD, DOJ, and the intelligence community.

There are a number of offices within DHS component agencies that are involved with intelligence activities, such as the Transportation Security Intelligence Service, the CBP Office of Intelligence, the USCG Intelligence Coordination Center, the ICE Office of Intelligence, and the Office of Intelligence and Analysis.

***Inspection Objectives:*** Determine: (1) what intelligence activities exist within DHS; (2) the specific functions of each; (3) whether there are areas of redundancy and the potential for cost savings and improved operational effectiveness by consolidating some functions; and (4) whether there is a cohesive, DHS-wide structure for directing and providing oversight of the various intelligence activities. *Office of Inspections and Special Reviews*

## Chapter 8 – Deferred or Cancelled Projects

| Title   | DHS Component   | Assigned OIG Component | Status    |
|---|-----------------|------------------------|-----------|
| ICE Budget Problems Phase II  | ICE             | Audit                  | Cancelled |
| ACE Cargo Selectivity & Targeting (CS&T)  | CBP             | Audit                  | Cancelled |
| Biodefense Risk Communication Strategies and Procedures   | S&T             | Audit                  | Cancelled |
| BioWatch Program Evaluation   | S&T             | Audit                  | Cancelled |
| State Homeland Security Assessment and Strategy (SHSAS) Program Audit   | Preparedness    | Audit                  | Cancelled |
| Audit of DHS Development of Sector-Specific Plans   | Preparedness    | Audit                  | Cancelled |
| DHS Secure Border Initiative <sup>3</sup>   | CBP             | Audit                  | Cancelled |
| Environmental Measurements Laboratory   | S&T             | IT                     | Deferred  |
| DHS Efforts in Implementing Automated Surveillance Systems for Protecting our Nation's Critical Infrastructures | S&T             | IT                     | Deferred  |
| U.S Secret Service (USSS) IT Management   | USSS            | IT                     | Cancelled |
| Review of DHS Intelligence Systems  | Multi-Component | IT                     | Cancelled |
| Immigration Security Initiative Expansion Aboard  | CBP             | ISP                    | Cancelled |
| The U.S. Passenger Accelerated Service System (US PASS)   | CBP             | ISP                    | Deferred  |
| Review of HAZUS-MH  | FEMA            | ISP                    | Cancelled |
| Coordination of Intelligence Support for Border Security <sup>4</sup>   | Multi-Component | ISP                    | Cancelled |
| Support Anti-Terrorism By Fostering Effective Technologies Act (SAFETY Act)                                     | S&T             | ISP                    | Deferred  |

<sup>3</sup> This was replaced by “Risk Management Advisory on SBInet Program Initiation.”

<sup>4</sup> This job is being incorporated into the “Review of DHS Progress Addressing Challenges in the Relationship Between CBP and ICE.”

**Appendix A**  
**OIG Headquarters and Field Office Contacts**

**Department of Homeland Security**  
**Attn: Office of Inspector General**  
**245 Murray Drive, Bldg 410**  
**Washington, D.C. 20528**

**Telephone Number** (202) 254-4100  
**Fax Number** (202) 254-4285  
**Website Address** [www.dhs.gov](http://www.dhs.gov)

**OIG Headquarters Senior Management Team**

|                             |       |  |
|-----------------------------|-------|--|
| <b>Richard L. Skinner</b>   | ..... | <b>Inspector General</b>   |
| <b>James L. Taylor</b>      | ..... | <b>Deputy Inspector General</b>                                    |
| <b>Richard N. Reback</b>    | ..... | <b>Counsel to the Inspector General</b>                            |
| <b>David M. Zavada</b>      | ..... | <b>Assistant Inspector General/Audits</b>                          |
| <b>Elizabeth Redman</b>     | ..... | <b>Assistant Inspector General/Investigations</b>                  |
| <b>Robert Ashbaugh</b>      | ..... | <b>Assistant Inspector General/Inspections</b>                     |
| <b>Frank Deffer</b>         | ..... | <b>Assistant Inspector General/Information<br/>Technology</b>      |
| <b>Edward F. Cincinnati</b> | ..... | <b>Assistant Inspector General/Administration</b>                  |
| <b>Matt Jadacki</b>         | ..... | <b>Special Inspector General/Gulf Coast<br/>Hurricane Recovery</b> |
| <b>Tamara Faulkner</b>      | ..... | <b>Congressional Liaison and Media Affairs</b>                     |
| <b>Denise S. Johnson</b>    | ..... | <b>Executive Assistant to the Inspector General</b>                |

## Locations of Audit Field Offices

### **Atlanta, GA**

3003 Chamblee-Tucker Rd., Suite 374  
Atlanta, GA 30341  
(770) 220-5228 / Fax (770) 220-5259

### **Boston, MA**

10 Causeway Street, Suite 465  
Boston, MA 02222  
(617) 223-8600 / Fax (617) 223-8651

### **Chicago, IL**

55 W. Monroe St., Suite 1010  
Chicago, IL 60603  
(312) 886-6300 / Fax (312) 886-6308

### **Dallas, TX**

3900 Karina St., Suite 224  
Denton, TX 76208  
(940) 891-8900 / Fax (940) 891-8948

### **Houston, TX**

5850 San Felipe Rd., Suite 300  
Houston, TX 77057  
(713) 706-4611 / Fax (713) 706-4625

### **Indianapolis, IN**

5915 Lakeside Blvd.  
Indianapolis, IN 46278  
(317) 298-1596 / Fax (317) 298-1597

### **Kansas City, MO**

901 Locust, Suite 470  
Kansas City, MO 64106  
(816) 329-3880 / Fax (816) 329-3888

### **Los Angeles, CA**

222 N. Sepulveda Blvd., Suite 1680  
El Segundo, CA 90245  
(310) 665-7300 / Fax (310) 665-7302

### **Miami, FL**

3401 SW 160<sup>th</sup> Ave., Suite 350  
Miramar, FL 33027  
(954) 538-7842 / Fax (954) 602-1034

### **Philadelphia, PA**

Greentree Executive Campus  
5002 D Lincoln Drive West  
Marlton, NJ 08053-1521  
(856) 968-4907 / Fax (856) 968-4914

### **San Francisco, CA**

300 Frank H. Ogawa Plaza, Suite 275  
Oakland, CA 94612  
(510) 637-4311 / Fax (510) 637-1484

### **St. Thomas, VI**

Nisky Center, Suite 210  
St. Thomas, VI 00802  
(340) 774-0190 / Fax (340) 774-0191

### **San Juan, PR**

654 Plaza  
654 Munoz Rivera Ave., Suite 1700  
San Juan, PR 00918  
(787) 294-2500 / Fax (787) 771-3620

## Locations of Investigative Field Offices

### **Atlanta, GA**

3003 Chamblee - Tucker Rd., Suite 301  
Atlanta, GA 30341  
(770) 220-5290 / Fax: (770) 220-5288

### **Boston, MA**

10 Causeway Street  
Suite 465  
Boston, MA 02222  
(617) 565-8705 / Fax: (617) 565-8995

### **Buffalo, NY**

130 South Elwood Avenue, Suite 501  
Buffalo, NY 14202  
(716) 843-5700 x520/Fax: (716) 551-5563

### **Chicago, IL**

55 W. Monroe St., Suite 1050  
Chicago, IL 60603  
(312) 886-2800 / Fax: (312) 886-2804

### **Dallas, TX**

3900 Karina St., Suite 228  
Denton, TX 76208  
(940) 891-8930 / Fax: (940) 891-8959

### **Del Rio, TX**

Amistad National Recreation Area  
4121 Highway 90 West  
Del Rio, TX 78840  
(830) 775-7492 x239

### **Detroit, MI**

Levin Federal Courthouse  
231 W. Lafayette Blvd., Suite 1044  
Detroit, MI 48226  
(313) 226-2163 / Fax: (313) 226-6405

### **El Centro, CA**

516 Industry Way, Suite B  
Imperial, CA 92251  
(760) 335-3900 / Fax: (760) 335-3726

### **El Paso, TX**

1200 Golden Key Circle, Suite 230  
El Paso, TX 79925  
(915) 629-1800 / Fax: (915) 594-1330

### **Houston, TX**

5850 San Felipe Rd., Suite 300  
Houston, TX 77057  
(713) 706-4600 / Fax: (713) 706-4622

### **Laredo, TX**

901 Victoria St., Suite G  
Laredo, TX 78045  
(956) 796-2917 / Fax: (956) 717-0395

### **Los Angeles, CA**

222 N. Sepulveda Blvd., Suite 1640  
El Segundo, CA 90245  
(310) 665-7320 / Fax: (310) 665-7309

### **McAllen, TX**

Bentsen Tower  
1701 W. Business Highway 83, Room 250  
McAllen, TX 78501  
(956) 664-8010 / Fax: (956) 618-8151

### **Miami, FL**

3401 SW 160th Ave., Suite 401  
Miramar, FL 33027  
(954) 538-7555 / Fax: (954) 602-1033

**New York City, NY**  
111 Pavonia Avenue  
Suite 630  
Jersey City, NJ 07310  
(201) 356-1800 / Fax: (201) 356-4038

**Philadelphia, PA**  
Greentree Executive Campus  
5002 B Lincoln Drive West  
Marlton, NJ 08053  
(856) 596-3800 / Fax: (856) 810-3410

**San Diego, CA**  
701 B St., Room 560  
San Diego, CA 92101  
(619) 557-5970 / Fax: (619) 557-6518

**San Francisco, CA**  
300 Frank H. Ogawa Plaza, Suite 275  
Oakland, CA 94612-2038  
(510) 637-4311 / Fax: (510) 637-4327

**San Juan, PR**  
654 Plaza  
654 Munoz Rivera Ave, Suite 1700  
San Juan, PR 00918  
(787) 294-2500 / Fax: (787) 771-3620

**Seattle, WA**  
2350 Carillon Point, Suite 2360  
Kirkland, WA 98033  
(425) 250-1260 / Fax: (425) 576-0898

**St. Thomas, VI**  
Office 550 Veterans Dr., Suite 207A  
St. Thomas, VI 00802  
(340) 777-1792 / Fax: (340) 777-1803

**Tucson, AZ**  
2120 West Ina Rd.  
Suite 201  
Tucson, AZ 85741  
(520) 229-6420 / Fax: (520) 742-7192

**Washington, DC (Washington Field Office)**  
1300 North 17th St.  
Suite 510  
Arlington, VA 22209  
(703) 235-0848 / Fax: (703) 235-0854

**Yuma, AZ**  
775 E. 39th St., Room 216  
Yuma, AZ 85365  
(928) 314-9640

## Locations of Gulf Coast Hurricane Recovery Field Offices

(Audit Offices Unless Noted Otherwise)

### **Austin, TX**

Northview Business Center  
9001 North I-35  
Austin, TX 78753  
(512) 908-8700 / Fax (512) 977-4640

### **Baton Rouge, LA <sup>5</sup>**

FEMA JFO/DR 1603-LA  
415 N. 15<sup>th</sup> Street  
Baton Rouge, LA 70802  
(225) 242-6000 / Fax (225) 379-4020

### **Biloxi, MS <sup>5</sup>**

2350 Beach Blvd  
Biloxi, MS 39531  
(228) 385-5605 (Audit)  
(228) 385-4933/4935 (Investigations)

### **Jackson, MS**

FEMA JFO  
515 E. Amite Street  
Jackson, MS 39201  
(601) 965-2599 / Fax (601) 965-2432

### **Hattiesburg, MS <sup>6</sup>**

Joint Task Force  
P.O. Box (To be determined)  
Hattiesburg, MS  
601-264-8220/8611

### **Montgomery, AL**

1555 Eastern Boulevard  
Montgomery, AL 36117  
(334) 409-4634

### **New Orleans, LA**

One Seine Court, Room 316  
New Orleans, LA 70114  
(504) 762-2151/ Fax (504) 762-2873

### **Orlando, FL**

100 Sun Port Lane  
Orlando, FL 32809  
(407) 856-3204

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<sup>5</sup> Audit and Investigations have offices at this location.

<sup>6</sup> Investigative office

## Appendix B Acronyms

|                 |  |
|-----------------|--|
| <b>AC&amp;I</b> | Acquisition, Construction, and Improvement                       |
| <b>ACE</b>      | Automated Commercial Environment                                 |
| <b>ATS</b>      | Automated Targeting System                                       |
| <b>BPA</b>      | Blanket Purchase Agreement                                       |
| <b>BZPP</b>     | Buffer Zone Protection Program                                   |
| <b>CBP</b>      | Customs and Border Protection                                    |
| <b>COOP</b>     | Continuity of Operations Plan                                    |
| <b>DHS</b>      | Department of Homeland Security                                  |
| <b>DOD</b>      | Department of Defense  |
| <b>DOJ</b>      | Department of Justice  |
| <b>DRO</b>      | Detention and Removal Operations, Office of                      |
| <b>EA</b>       | Enterprise Architecture  |
| <b>FBI</b>      | Federal Bureau of Investigations                                 |
| <b>FEMA</b>     | Federal Emergency Management Agency                              |
| <b>FISMA</b>    | Federal Information Security Management Act                      |
| <b>FLETC</b>    | Federal Law Enforcement Training Center                          |
| <b>FPS</b>      | Federal Protective Service                                       |
| <b>FTE</b>      | Full-time equivalent   |
| <b>FY</b>       | Fiscal Year  |
| <b>G&amp;T</b>  | Office of Grants and Training                                    |
| <b>GAO</b>      | Government Accountability Office                                 |
| <b>GSA</b>      | General Services Administration                                  |
| <b>HITRON</b>   | Helicopter Interdiction Tactical Squadron                        |
| <b>ICE</b>      | Immigration and Customs Enforcement                              |
| <b>IDS</b>      | Integrated Deepwater System                                      |
| <b>INS</b>      | Immigration and Naturalization Service                           |
| <b>IT</b>       | Information Technology   |
| <b>NBIS</b>     | National Biosurveillance Integration System                      |
| <b>NEMIS</b>    | National Emergency Management Information System                 |
| <b>ODP</b>      | Office for Domestic Preparedness                                 |
| <b>OIG</b>      | Office of Inspector General                                      |
| <b>OMB</b>      | Office of Management and Budget                                  |
| <b>S&amp;T</b>  | Science and Technology   |
| <b>TSA</b>      | Transportation Security Administration                           |
| <b>USCG</b>     | United States Coast Guard  |
| <b>USCIS</b>    | United States Citizenship and Immigration Services               |
| <b>US-VISIT</b> | United States Visitor and Immigrant Status Indication Technology |
| <b>WHECs</b>    | High Endurance Cutters   |

## Appendix C – Performance Goals, Measures, and Accomplishments

**FY 2005**

### Performance Goals and Indicators

### Fiscal Year 2005 Actual Performance

#### Goal 1. Add value to DHS programs and operations.

- |     |  |     |
|-----|--|-----|
| 1.1 | Provide audit and inspection coverage of 75% of DHS' critical mission areas, the President's Management Agenda, and the most serious management challenges facing DHS. | 95% |
| 1.2 | Achieve at least 75% concurrence with recommendations contained in OIG audit and inspection reports (excludes grant audits).   | 93% |
| 1.3 | Complete draft reports for at least 75% of inspections and audits within six months of the project start date (excludes grant audits).                                 | 41% |

#### Goal 2. Ensure integrity of DHS programs and operations.

- |     |  |      |
|-----|--|------|
| 2.1 | At least 75% of substantiated investigations are accepted for criminal, civil, or administrative action.                 | 69%  |
| 2.2 | At least 75% of investigations referred resulted in indictments, convictions, civil findings, or administrative actions. | 78%  |
| 2.3 | Provide audit coverage of \$500 million of DHS' grant programs.  | 166% |
| 2.4 | Achieve at least 75% concurrence with recommendations on grant audits.   | 87%  |

#### Goal 3. Deliver quality products and services.

- |     |  |          |
|-----|--|----------|
| 3.1 | Establish and implement an internal quality control review program covering all elements of DHS OIG. | On going |
| 3.2 | Establish and implement an employee training program for DHS OIG                                     | On going |



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## **OIG Hotline**

To report alleged fraud, waste, abuse or mismanagement, or any other kind of criminal or noncriminal misconduct relative to department programs or operations, write to DHS Office of Inspector General/MAIL STOP 2600, Attention: Office of Investigations - Hotline, 245 Murray Drive, SW, Building 410, Washington, DC 20528; fax the complaint to (202) 254-4292 or email [DHSOIGHOTLINE@dhs.gov](mailto:DHSOIGHOTLINE@dhs.gov). The OIG seeks to protect the identity of each writer.