



## **Annual Performance Plan For Fiscal Year 2010**



**DEPARTMENT OF HOMELAND SECURITY**  
**Office of Inspector General**

# **The Department of Homeland Security**

## **Office of Inspector General**

### **Fiscal Year 2010 Annual Performance Plan**

**The *Government Performance and Results Act 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 that 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.**

## **A Message From the Inspector General**

I am pleased to present the *Fiscal Year 2010 Annual Performance Plan* for the Department of Homeland Security's Office of Inspector General. This plan, which is our eighth, outlines the projects that we intend to undertake this fiscal year to evaluate DHS' programs and operations. This promises to be another challenging and demanding year as we attempt to address the many complex issues confronting DHS in its daily effort to reduce America's vulnerability to terrorism, and to minimize the damage and recover from manmade attacks and natural disasters that may occur.

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



Richard L. Skinner  
Inspector General

## **Table of Contents**

<b>Chapter</b>	<b>Page</b>
1. OIG Mission and Responsibilities .....	1
2. OIG Organizational Structure and Resources.....	2
3. FY 2010 Planning Approach .....	7
4. FY 2010 Performance Goals and Measures.....	9
5. Aligning OIG FY 2010 Projects With DHS’ Priorities and Initiatives .....	10
6. Project Narratives.....	23
• Directorate for Management.....	23
• Directorate for National Protection and Programs.....	30
• Directorate for Science and Technology.....	32
• Federal Emergency Management Agency .....	33
• Federal Law Enforcement Training Center .....	43
• Office of Counternarcotics Enforcement .....	44
• Office of Intelligence and Analysis .....	44
• Office of Operations Coordination .....	47
• Transportation Security Administration .....	48
• United States Citizenship and Immigration Services.....	50
• United States Coast Guard.....	52
• United States Customs and Border Protection.....	56
• United States Immigration and Customs Enforcement.....	61
• United States Secret Service .....	67
• Multiple Components.....	67
7. Other OIG Activities Planned for FY 2010 .....	72
8. American Recovery and Reinvestment Act of 2009 Projects.....	85
 <b>Appendices</b>	
Appendix A – OIG Headquarters and Field Office Contacts .....	90
Appendix B – Acronyms/Abbreviations.....	93
Appendix C – FY 2009 Performance Goals, Measures, and Accomplishments .....	95

# Chapter 1 – OIG Mission and Responsibilities

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

An Inspector General, who is appointed by the President and confirmed by the Senate, reports directly to both the Secretary of DHS and Congress. Barring narrow and exceptional circumstances, the Inspector General may audit, inspect, or investigate anyone in the department, or any program or operation of the department. To ensure the Inspector General'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.

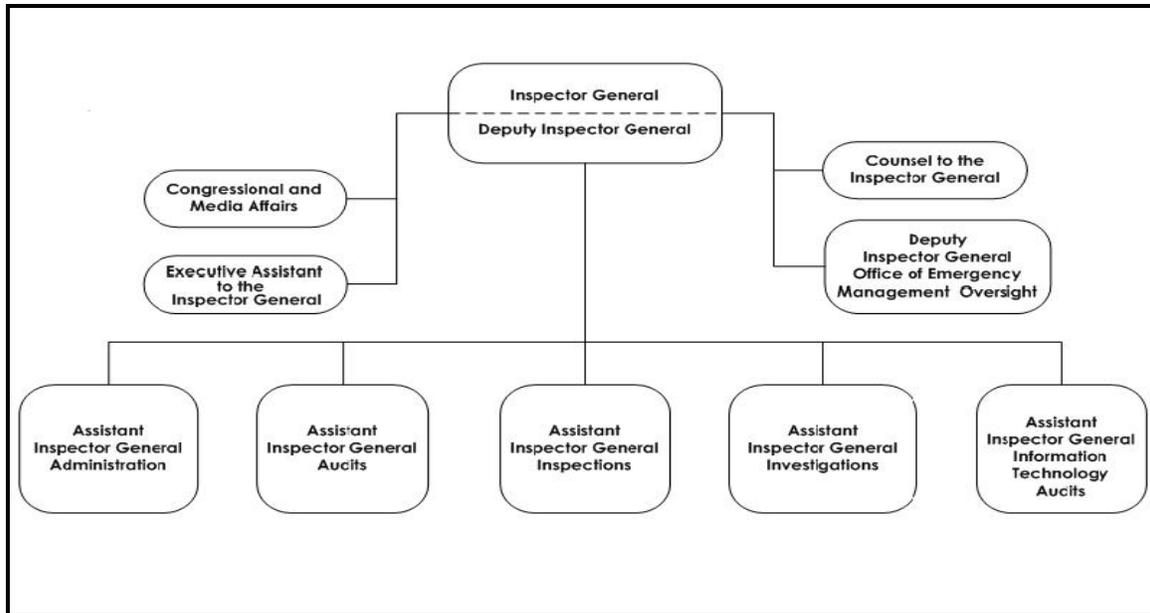
Specifically, the OIG's key legislated responsibilities are as follows:

- Conduct and supervise independent and objective audits and investigations relating to the department's programs and operations;
- Promote economy, effectiveness, and efficiency within the department;
- Prevent and detect fraud, waste, and abuse in department programs and operations;
- Review recommendations regarding existing and proposed legislation and regulations relating to department programs and operations;
- Maintain effective working relationships with other federal, state, and local governmental agencies, and nongovernmental entities regarding the mandated duties of the OIG; and
- Keep the Secretary and Congress fully and currently informed of problems in agency programs and operations.

## Chapter 2 – OIG Organizational Structure and Resources

We consist of an Executive Office and eight functional components that are based in Washington, DC. We also have field offices throughout the country and 577 full-time equivalents.

Chart 1. OIG Organization Chart



The OIG consists of the following components:

***The Executive Office*** consists of the Inspector General, the Deputy Inspector General, an executive assistant, and support staff. It provides executive leadership to the OIG.

***The Office of Congressional and Media Affairs*** is the primary liaison to members of Congress, their staffs and the media. Specifically, the Office’s staff responds to inquiries from Congress, the public at large, and the media; notifies Congress about OIG initiatives, policies and programs; coordinates preparation of testimony and talking points for Congress; and coordinates distribution of reports to Congress. Office staff tracks congressional requests, which are either submitted by a member of Congress or mandated through legislation. It also provides advice to the Inspector General and supports OIG staff as they address questions and requests from the press and Congress.

***The Office of Counsel to the Inspector General*** provides legal advice to the Inspector General and other management officials; supports audits, inspections, and investigations by ensuring that applicable laws and regulations are followed; serves as the OIG’s designated ethics office; manages the OIG’s *Freedom of Information Act* and *Privacy Act*

responsibilities; furnishes attorney services for the issuance and enforcement of OIG subpoenas; and provides legal advice on OIG operations.

***The Office of Audits (AUD)*** 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 determine whether financial accountability is achieved and the final statements are not materially misstated.

***The Office of Emergency Management Oversight (EMO)*** is responsible for providing an aggressive and ongoing audit effort designed to ensure that Disaster Relief Funds are being spent appropriately, while identifying fraud, waste, and abuse as early as possible. The office is an independent and objective means of keeping the Secretary of DHS, Congress, and other federal disaster relief agencies fully informed on problems and deficiencies relating to disaster operations and assistance programs, and progress regarding corrective actions. OIG focus is weighted heavily toward prevention, including reviewing internal controls, and monitoring and advising DHS and Federal Emergency Management Agency (FEMA) officials on contracts, grants, and purchase transactions before they are approved. This approach allows the office to stay current on all disaster relief operations and provide on-the-spot advice on internal controls and precedent-setting decisions.

***The Office of Inspections (ISP)*** provides the Inspector General with a means to analyze programs quickly and to evaluate operational efficiency, effectiveness, and vulnerability. This work includes special reviews of sensitive issues that arise suddenly and congressional requests for studies that require immediate attention. Inspections may examine any area of the department, plus it is the lead OIG office for reporting on DHS intelligence, international affairs, civil rights and civil liberties, and science and technology. Inspectors use a variety of study methods and evaluation techniques to develop recommendations for DHS; and inspections reports are released to DHS, Congress, and the public.

***The Office of Information Technology Audits (IT-A)*** 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 implemented 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). In addition, this office provides technical forensics assistance to OIG offices in support of OIG's fraud prevention and detection program.

***The Office of Investigations*** conducts investigations into allegations of criminal, civil, and administrative misconduct involving DHS employees, contractors, grantees, and programs. These investigations can result in criminal prosecutions, fines, civil monetary penalties, administrative sanctions, and personnel actions. Additionally, the Office of Investigations

provides oversight and monitors the investigative activity of DHS' various internal affairs offices. The office includes investigative staff working on Gulf Coast hurricane recovery operations.

**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; correspondence; printing and distribution of OIG reports; 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 semiannual reports to the Congress.

## **Fiscal Year 2010 Initiatives and Resources**

DHS requested an appropriation of \$127,874,000<sup>1</sup> for the OIG in fiscal year (FY) 2010, which supports the following cost increases anticipated this FY.

### **Personnel Support**

The budget requests funding for additional staffing resources for our office's oversight activities relating to several department initiatives on immigration and border security, transportation security, critical infrastructure protection, federal and state/local intelligence sharing, Secure Border Initiative (SBI), and acquisition strategies. In addition, the increase in staffing will better position our Office of Investigations to assist in supporting the department's planning to strengthen border security and interior enforcement. Our Office of Investigations will be able to investigate more of the allegations received, and perhaps delegating them less to DHS component internal affairs offices. Our increased involvement should lead to the avoidance of fraud, waste, and abuse and provide DHS management and Congress with the assurances that DHS resources are being used as intended.

### **General Services Administration (GSA) Rent and Facility-Related Costs**

The budget requests program resources for GSA rent and facility-related costs. The FY 2010 budget request funds an accumulated increase of GSA rent, guard services, maintenance and management of buildings, commercially leased parking, utilities, and other miscellaneous space-related costs. In FY 2009, our office consolidated the Office of Investigations, Washington Field Office. Its former Virginia site has now been moved to our Washington, DC headquarters. This consolidation will result in a more effective and efficient operation for the Office of Investigations. The increased number of on-board positions since FY 2008 combined with the relocation of the Washington Field Office to headquarters resulted in a permanent requirement to acquire additional space at OIG headquarters in Washington, D.C.

---

<sup>1</sup> Budget in Brief, page 53, DHS, [http://www.dhs.gov/xlibrary/assets/budget\\_bib\\_fy2010.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib_fy2010.pdf).

## **Training**

The budget includes funding to facilitate our personnel's professional educational training requirements. These training requirements are mandated by the *Inspector General Reform Act of 2008*, P.L. 110-409, the *Inspector General Act*, Generally Accepted Government Auditing Standards promulgated by the Government Accountability Office (GAO), and the Council of the Inspectors General on Integrity & Efficiency. The budget represents the continuation of professional, technological, and investigative educational training requirements.

<b>Funding Schedule</b> (Dollars in Thousands)				
<b>PPA: Audit, Inspections, and Investigations Program</b>		<b>2009<sup>2</sup></b>	<b>2010</b>	<b>2009 to 2010</b>
<b>Object Classes:</b>		<b>Enacted</b>	<b>Request</b>	<b>Change</b>
11.1	Perm positions	\$45,120	\$61,378	\$16,258
11.3	Other than perm	1,858	2,463	605
11.5	Other per comp	5,061	5,406	345
11.8	Special service pay	---		---
12.1	Benefits	15,586	20,406	4,820
13.0	Benefits-former	---		---
21.0	Travel	3,258	4,168	910
22.0	Transportation of things	65	70	5
23.1	GSA rent	8,945	11,173	2,228
23.2	Other rent	144	218	74
23.3	Communication, utilities, and misc. charges	2,629	2,718	89
24.0	Printing	204	235	31
25.1	Advisory and assistance services	2,767	2,787	20
25.2	Other services	1,044	3,516	2,472
25.3	Purchase from govt. accts.	7,089	7,904	815
25.4	Operation and maintenance of facilities	135	135	---
25.5	Research and development			---
25.6	Medical care			---
25.7	Operation and maintenance of equipment	324	339	15
25.8	Subsistence and support of persons			---
26.0	Supplies and materials	479	599	120
31.0	Equipment	3,655	4,209	554
32.0	Land and structures	---	---	---
42.0	Indemnity	---	---	---
43.0	Interest and dividends	---	---	---
91.0	Unvouchered	150	150	---
	<b>Total, Audit, Inspections, and Investigations Program</b>	<b>\$98,513</b>	<b>\$127,874</b>	<b>\$29,361</b>
	Full-Time Equivalents	577	632	55

<sup>2</sup> Excludes American Reinvestment and Recovery Act funding of \$5M and \$16M transfer from the FEMA Disaster Relief.

## Chapter 3 – FY 2010 Planning Approach

DHS has requested \$55.1 billion for FY 2010, focusing on five major priorities: counterterrorism; border security; enforcement of immigration laws; disaster preparedness, response, and recovery; and DHS unification, which includes building a “one-DHS” culture among the department’s different components and increasing morale. The OIG’s FY 2010 oversight efforts emphasize these areas, as well as the department’s budget priorities, the Secretary’s initiatives, the department major management challenges as described in our report *Management Challenges Facing the Department of Homeland Security* (OIG-09-08), and the department’s strategic goals. We will also give priority to legislative mandates such as the *Chief Financial Officers Act* (Public Law 101-576), FISMA (44 U.S.C. 3541, et seq.), and other significant legislation, Executive Order, or Presidential Directive.

Our office is taking a three-phased approach<sup>3</sup> to providing oversight for funds appropriated to DHS in the *American Recovery and Reinvestment Act of 2009* (Recovery Act). First, we evaluated the initial spending plans for practicality, thoroughness, and consistency with product management principles, such as risk mitigation and management control strategies. Second, we will review programs to ensure compliance with the established plans and the efficacy of program performance. Third, we will evaluate the outcomes of the individual initiatives to determine if DHS program goals were achieved. This will help us identify issues or concerns early to help management prevent waste and costly errors and perhaps provide opportunities to identify cost savings. Our Office of Investigations will monitor the DHS-OIG hotline for Recovery Act–related issues and concerns and make referrals as appropriate.

We will also provide audit coverage for DHS grant programs. Providing this coverage is in line with our DHS management challenges report, as well as the department Strategic Plan’s *Goal 2 – Ensure integrity of DHS programs and operations*. DHS reports that more than \$26.7 billion has been provided to DHS from 2003 through 2009 to strengthen our Nation’s ability to prevent, protect, respond, and recover from terrorist attacks, major disasters, or other emergencies.<sup>4</sup>

The following illustration serves as a snapshot of the department’s FY 2010 budget priorities—located at the top of the pyramid—and other fundamentals leading toward these priorities. The chief foundation of our pyramid is our legislative mandates. Please refer to the web links in the illustration for details.

<sup>3</sup> [http://www.dhs.gov/xoig/assets/OIG\\_Recovery\\_WorkPlan\\_052909.pdf](http://www.dhs.gov/xoig/assets/OIG_Recovery_WorkPlan_052909.pdf)  
[http://www.dhs.gov/xoig/assets/OIG\\_Recovery\\_Strategy.pdf](http://www.dhs.gov/xoig/assets/OIG_Recovery_Strategy.pdf).

<sup>4</sup> News Release, Release Date: April 8, 2009, DHS public website at [http://www.dhs.gov/ynews/releases/pr\\_1239203061205.shtm](http://www.dhs.gov/ynews/releases/pr_1239203061205.shtm)

**DHS' Five FY 2010  
Budget Priorities**

Counterterrorism and  
Domestic Security  
Management  
-----

Securing Our Borders  
-----

Enforcement of  
Immigration Laws  
-----

Preparing for, Responding  
to, and Recovering from  
Disasters  
-----

DHS Unification  
[http://www.dhs.gov/ynews/  
releases/pr\\_124171525272](http://www.dhs.gov/ynews/releases/pr_124171525272)

**Secretary's Initiatives**

Protection  
Preparedness  
Response and Recovery  
Immigration  
Efficiency

[http://www.dhs.gov/xabout/gc\\_12331569969  
14.shtm](http://www.dhs.gov/xabout/gc_1233156996914.shtm)

Southwest Border Security Initiatives  
[http://www.dhs.gov/ynews/releases/pr\\_12379  
09530921.shtm](http://www.dhs.gov/ynews/releases/pr_1237909530921.shtm)

Cross-cutting initiatives to strengthen  
strategic priorities  
[http://www.dhs.gov/ynews/releases/pr\\_12417  
15252729.shtm](http://www.dhs.gov/ynews/releases/pr_1241715252729.shtm)

**Management Challenges, Report #OIG-09-08**

Acquisition Management  
Financial Management  
Information Technology Management  
Catastrophic Disaster Response and Recovery  
Infrastructure Protection  
Border Security  
Transportation Security  
Trade Operations and Security  
Grants Management

[http://www.dhs.gov/xoig/assets/mgmttrpts/OIG\\_09-08\\_Nov08.pdf](http://www.dhs.gov/xoig/assets/mgmttrpts/OIG_09-08_Nov08.pdf)

**Department's Strategic Goals**

Goal 1: Protect Our Nation from Dangerous People  
Goal 2: Protect Our Nation from Dangerous Goods  
Goal 3: Protect Critical Infrastructure  
Goal 4: Strengthen Our Nation's Preparedness and Emergency Response Capabilities  
Goal 5: Strengthen and Unify DHS Operations and Management  
[http://www.dhs.gov/xlibrary/assets/DHS\\_StratPlan\\_FINAL\\_spread.pdf](http://www.dhs.gov/xlibrary/assets/DHS_StratPlan_FINAL_spread.pdf)

**Legislative Mandates**

*Chief Financial Officers Act*  
*Federal Information Security Management Act of 2002*  
*American Recovery and Reinvestment Act of 2009*  
Other Legislation, Executive Order, or  
Presidential Study Directive  
[http://www.dhs.gov/xoig/assets/OIG\\_Recovery\\_WorkPlan\\_052909.pdf](http://www.dhs.gov/xoig/assets/OIG_Recovery_WorkPlan_052909.pdf)  
[http://www.dhs.gov/xoig/assets/OIG\\_Recovery\\_Strategy.pdf](http://www.dhs.gov/xoig/assets/OIG_Recovery_Strategy.pdf)  
[http://intranet/hdqr/pdf/OIG\\_CMA\\_2010\\_PlngMtg.pdf](http://intranet/hdqr/pdf/OIG_CMA_2010_PlngMtg.pdf)

## Chapter 4 – FY 2010 Performance Goals and Measures

Each year, we reassess our goals and measures to ensure that we continue to use the most meaningful measures as a basis for assessing the overall effectiveness of our work.

In FY 2009, the GAO reviewed DHS' goals and measures, including the OIG's goals and measures. GAO approved of our current measures (listed below) but recommended that we add a measure concerning DHS implementation of our recommendations. We agreed but postponed implementation until our Project Tracking System's (PTS) Followup Module is fully implemented. We will then begin to discuss how to implement the new measure. The performance measures include:

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

- 1.1 Provide audit and inspection coverage of 75% of DHS' strategic objectives, Secretary's Initiatives, and major management challenges facing DHS.
- 1.2 Achieve at least 85% concurrence with recommendations contained in OIG audit and inspection reports.
- 1.3 Complete draft reports for at least 75% of inspections and audits within 6 months of the project start date i.e., entrance conference.
- 1.4 (New) Achieve at least a 50% implementation rate for OIG recommendations that are more than 1 year old.

### 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 adequate coverage of major DHS grant programs at the most risk for fraud, waste, and abuse.
- 2.4 Achieve at least 85% 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. In particular, conduct peer reviews to ensure that applicable audit, inspection, and investigation standards and policies are being followed.
- 3.2 Implement 100% of peer review recommendations.
- 3.3 Ensure that 100% of DHS OIG employees have an annual Individual Development Plan.
- 3.4 Ensure that 100% of all eligible DHS OIG employees have an Employee Performance Plan and Rating Form.

## Chapter 5 – Aligning OIG FY 2010 Projects With DHS’ Priorities and Initiatives

We have added a matrix that includes our new and carryover projects. We provide a description of each new project and its objective(s) in Chapter 6. We list only the project title and objective(s) for our carryover projects previously published in our prior annual performance plan. We include a link to the prior plan which included the project’s description.

We denote whether our FY 2010 projects address:

- FY 2010 budget priorities
- Secretary’s initiatives
- management challenges
- DHS strategic goals
- legislative mandates
- *American Recovery and Reinvestment Act of 2009 (ARRA)*

The projects and the resulting reports should aid the department in assessing its progress toward achieving the department’s FY 2010 budget priorities and initiatives. In the following table, we list the projects in the same order as their narratives appear in Chapters 6, 7, and 8 of this plan.

### Aligning OIG Projects With DHS’ Priority Areas

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
<b>DIRECTORATE FOR MANAGEMENT</b>								<b>23</b>
<b>New Projects</b>								
Annual Evaluation of DHS’ Information Security Program for FY 2010	IT-A			*		*		23
Information Technology (IT) Matters Related to the FY 2009 Financial Statement Audit - DHS Consolidated (Mandatory)	IT-A			*		*		23
DHS Financial Systems Consolidation Project	IT-A	*		*				23
DHS’ Data Center Consolidation Program	IT-A	*		*				24
DHS Personnel Systems Security	IT-A			*				24
DHS IT Management Structure Followup	IT-A	*		*				24

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
Unauthorized Client Software	IT-A			*				24
DHS' Oversight of Component-level Acquisition Programs	AUD			*				25
Use of Other Than Full and Open Competition (Noncompetitive Contracting) FY 2009 (Mandatory)	AUD					*		25
FY 2010 <i>Chief Financial Officer Act</i> Audits - Audits of the DHS' Consolidated Financial Statements, Internal Control over Financial Reporting, and the Individual Financial Statements of the United States Customs and Border Protection (CBP), the Federal Law Enforcement Training Center (FLETC), the Transportation Security Administration (TSA), Immigration and Customs Enforcement (ICE), and United States Citizenship and Immigration Services (USCIS) (Mandatory)	AUD					*		25
FY 2010 Office of National Drug Control Policy (ONDCP) Reviews at CBP, ICE, and United States Coast Guard (USCG) (Mandatory)	AUD					*		27
<b>Carryover Projects</b>								
Use of DHS Purchase and Travel Cards	AUD			*				27
Security Controls for the Active Directory	IT-A			*				27
DHS Contracts With Low Wage Payments (Congressional)	ISP	*	*	*				28
DHS' Progress in Implementing Homeland Security Presidential Directive 12	IT-A							28
Data Center Consolidation Issues at Stennis Space Center	IT-A	*		*				28
DHS' Financial Systems Consolidation Initiative	IT-A	*		*				28
FEMA's Working Capital Fund	AUD			*				29
Acquisition Data Management	AUD			*				29
Other Than Full and Open Competition (Noncompetitive) FY 2008 (Mandatory)	AUD					*		29
FY 2009 Integrated DHS Consolidated <i>Chief Financial Officer Act</i> and Internal Control Over Financial Reporting Audit; and the Individual Financial Statement Audits of CBP, FLETC, TSA, ICE and USCIS (Mandatory)	AUD					*		29
FY 2009 ONDCP Reviews at CBP, ICE, and USCG (Mandatory)	AUD	*						29

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
<b>DIRECTORATE FOR NATIONAL PROTECTION AND PROGRAMS</b>								<b>30</b>
<b>New Projects</b>								
								30
National Cyber Security Review Status Followup	IT-A	*						30
Evaluation of Einstein	IT-A	*						30
Risk Reduction Efforts in the Dam Sector	AUD				*			30
National Protection and Programs Directorate's (NPPD) Use of Fiscal Year 2006 Program Appropriations to Fund Shared Service Administrative Transactions (DHS Request)	AUD				*			31
<b>Carryover Projects</b>								
Site Selection - National Bio- and Agro-Defense Facility (Congressional)	ISP	*	*	*				31
Effectiveness of Protective Security Advisors in Reducing Risk to Critical Infrastructure	ISP	*	*	*				31
DHS' Process Control Systems Forum Conference Fees (DHS Request)	AUD	*						32
The United States Computer Emergency Readiness Team	IT-A	*						32
<b>DIRECTORATE FOR SCIENCE AND TECHNOLOGY</b>								<b>32</b>
<b>New Projects</b>								
Directorate for Science and Technology's (S&T) Oversight of Federally Funded Research and Development Centers	ISP	*	*	*				32
<b>Carryover Project</b>								
S&T's Management of Contracts with a Small Business	ISP	*	*	*				33
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>								<b>33</b>
<b>New Projects</b>								
Implementation of Recommendations From Top Officials Exercise 4 (Mandatory)	ISP	*	*	*		*		33
IT Matters Related to the FEMA Component of the FY 2009 DHS Financial Statement Audit	IT-A			*		*		33

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
FEMA IT Systems Modernization	IT-A	*		*				33
Disaster Assistance Grants	EMO	*	*	*	*			34
FEMA Hiring Practices (Mandatory)	EMO				*	*		34
FEMA's Disaster Preparedness	EMO	*	*	*	*			34
FEMA's Debris Removal Program	EMO	*	*	*	*			34
Efforts to Expedite Disaster Recovery in Louisiana	EMO	*	*	*	*			35
Disaster Housing Assistance Program	EMO	*	*	*	*			35
National Emergency Alert Systems	EMO	*	*	*	*			35
FY 2009 Disaster Contracts	EMO	*	*	*	*			36
Logistics Supply Chain	EMO	*	*	*	*			36
FEMA's Interaction with States to Ensure Disaster Preparedness	EMO	*	*	*	*			36
Disasters Preparedness of Other Federal Agencies	EMO	*	*	*	*			37
Continuing Effort to Audit States' Management of State Homeland Security Program and Urban Areas Security Initiative Program Grants, 12 States To Be Determined (Mandatory)	AUD	*		*		*		37
Efficacy of DHS Grant Programs, Part 2	AUD	*		*				37
<b>Carryover Projects</b>								
Selected Personnel Practices at FEMA's Maryland National Processing Service Center (Congressional)	ISP	*	*	*				38
All-Hazards Mitigation Efforts	EMO	*	*	*	*			38
FEMA's Public Assistance (PA) Project Management Process (Congressional)	EMO	*	*	*	*			38
FEMA's Housing Strategy for Future Disasters	EMO	*	*	*	*			38
FEMA's National Processing Service Center Operations	EMO	*	*	*	*			38
FEMA's Incident Management Assistance Teams	EMO	*	*	*	*			38
FEMA's PA Program Funding for Hazard Mitigation Measures	EMO	*	*	*	*			39
Federal Incident Management Planning Efforts	EMO	*	*	*	*			39
Disaster Closeout Process	EMO	*		*	*			39
FEMA's Temporary Housing Unit Program	EMO	*	*	*	*			39
Federal Disaster Assistance Application Process	EMO	*	*	*	*			39
FEMA's Logistics Management Process for Responding to Catastrophic Disasters	EMO	*	*	*	*			40
Select FY 2008 Disaster Contracts	EMO	*	*	*	*			40

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
FEMA's Cost Allocation Process for Employee-related Expenses Associated With Presidentially-declared Disasters	EMO	*		*	*			40
PA Appeals Process	EMO	*	*	*	*			40
Emergency Support Function 6 – Implementation of Mass Care and Emergency Assistance	EMO	*	*	*	*			40
State, Tribal, and Community Level Incident Management Planning Efforts	EMO	*	*	*	*			41
Tracking PA Insurance Requirements	EMO			*	*			41
State Administration of FEMA's PA Projects – Multiple State Audits	EMO	*	*	*	*			41
FEMA's Management and Oversight of PA Technical Assistance Contractors	EMO	*	*	*	*			41
Effectiveness of FEMA's Remedial Action Management Program	EMO	*	*	*	*			41
Contracting Officer's Technical Representative Program	EMO	*	*	*	*			41
FEMA's Disaster Purchase Card Use	EMO	*	*	*	*			42
FEMA's Implementation of Federal Regulations Applying to Government-Furnished Equipment	EMO	*			*			42
FEMA's Progress in Implementing Disaster Responders' Credentials	EMO	*	*	*	*			42
FEMA's Strategy to Measure the Effectiveness of Emergency Management Performance Grants (EMPG)	AUD	*	*	*				42
FEMA's Management of the EMPG Program	AUD	*	*	*				43
Efficacy of DHS Grant Programs, Part 1 (title changed from Eliminating Stove-piped Grant Program)	AUD	*	*	*				43
Continuing Effort to Audit States' Management of the State Homeland Security Program and the Urban Areas Security Initiative Program Grants: LA, MN, NV, NY, OK, TN, TX, IL (UASI only), and CA (UASI only) (Mandatory)	AUD	*	*	*		*		43
<b>FEDERAL LAW ENFORCEMENT TRAINING CENTER</b>								<b>43</b>
<b>New Project</b>								
IT Matters Related to the FLETC Component of the FY 2009 DHS Financial Statement Audit (Mandatory)	IT-A			*		*		43

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
<b>Carryover Project</b>								
DHS' Anti-Deficiency Act Determination for Dormitory Leases 1 and 3 at the FLETC	AUD			*				44
<b>OFFICE OF COUNTERNARCOTICS ENFORCEMENT</b>								<b>44</b>
<b>Carryover Project</b>								
Implementation of the DHS Interagency Statement of Intent for Counternarcotics Enforcement	ISP	*	*	*				44
<b>OFFICE OF INTELLIGENCE AND ANALYSIS</b>								<b>44</b>
<b>New Projects</b>								
Joint DHS/DNI Inspector General Intelligence Review of Intelligence and Analysis (I&A)	ISP	*	*	*				44
Annual Evaluation of DHS' Information Security Program (Intelligence Systems) for FY 2010	IT-A			*		*		45
Annual Evaluation of DHS' Information Security Program (Intelligence Systems - DNI) for FY 2010	IT-A			*		*		45
Fusion Center Evaluation	ISP		*					46
DHS' Human Capital and Resource Support to State and Local Fusion Centers	ISP		*					46
<b>Carryover Project</b>								
Annual Evaluation of DHS' Information Security Program for FY 2009 – Intelligence Systems	IT-A			*				47
<b>OFFICE OF OPERATIONS COORDINATION</b>								<b>47</b>
<b>New Project</b>								
Fusion Center IT Management	IT-A	*						47
<b>Carryover Project</b>								
Information Sharing at the National Operations Center (Congressional)	ISP	*	*	*				47

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
<b>TRANSPORTATION SECURITY ADMINISTRATION</b>								<b>48</b>
<b>New Projects</b>								
IT Matters Related to the FY 2009 Financial Statement Audit of TSA	IT-A			*		*		48
TSA's Coordination with Amtrak on Passenger Rail Transit	AUD				*			48
TSA Penetration Testing: Air Cargo	AUD		*					48
<b>Carryover Projects</b>								
Transportation Security Officer Training and Development Program	AUD		*					49
Workforce Strength and Deployment in TSA's Federal Air Marshal Service	AUD		*		*			49
Ability to Communicate With Federal Air Marshals While in Mission Status	ISP		*					49
TSA's Acquisition of Transportation Security Equipment	AUD			*				50
TSA's Preparedness for Handling Mass Transit Emergencies (Rail)	AUD				*			50
Newly Deployed and Enhanced Technology at the Passenger Screening Checkpoint (title changed from Whole Body Imaging Testing)	AUD				*			50
<b>UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES</b>								<b>50</b>
<b>New Projects</b>								
IT Matters Related to the FY 2009 Financial Statement Audit of the USCIS	IT-A							50
USCIS IT Modernization Followup	IT-A		*	*				50
USCIS Chicago Lockbox Operations	AUD			*				51
USCIS' Efforts to Address the Insider Threat to IT Systems	IT-A			*				51
<b>Carryover Projects</b>								
Management Controls to Deter Adjudicator Fraud	ISP	*						52
Kendell Frederick Implementation (Congressional)	IT-A					*		52
USCIS Adjudication Process, Part 2	AUD	*	*					52

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
<b>UNITED STATES COAST GUARD</b>								<b>52</b>
<b>New Projects</b>								
IT Matters Related to the FY 2009 Financial Statement Audit of USCG (Mandatory)	IT-A			*		*		52
Annual Review of the USCG's Mission Performance (FY 2009) (Mandatory)	AUD					*		52
USCG Anti-Deficiency Act Violation Related to Acquisition, Construction, and Improvement Expenditures (DHS Request)	AUD			*				53
Integrating DHS, Federal Bureau of Investigation, and Department of Defense Biometric Databases	AUD	*						53
The National Coast Guard Museum Funding Plan (Mandatory)	AUD					*		54
USCG's Polar Icebreaker Maintenance, Upgrade, and Acquisition Program	AUD		*	*				54
<b>Carryover Projects</b>								
USCG's Inspection and Investigation Efforts to Ensure Safety of Marine Commerce	AUD	*	*					55
Allegations of Misconduct Within the USCG's Administrative Law Judge Program	ISP	*	*	*				55
Annual Review of the USCG's Mission Performance (FY 2008) (Mandatory)	AUD					*		55
USCG's Maritime Security and Safety Teams	AUD	*						55
USCG Blueprint for Acquisition Reform (title changed from USCG's Acquisition Reorganization)	AUD			*				55
USCG's Maritime Awareness Global Network Security	IT-A							56
<b>UNITED STATES CUSTOMS AND BORDER PROTECTION</b>								<b>56</b>
<b>New Projects</b>								
Operation Armas Cruzadas	ISP	*	*	*				56
IT Matters Related to the FY 2009 Financial Statement Audit of CBP	IT-A			*		*		56
CBP's IT Management	IT-A	*		*				57
CBP's Actions in Response to Los Angeles International Airport (LAX) Network Outage	IT-A			*				57

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
Secure Border Initiative Financial Accountability FY 2009 (Mandatory)	AUD	*	*	*		*		57
Ground Transportation of Detainees	AUD	*		*				57
Automated Targeting System (ATS) 2010, Data Reliability (Mandatory)	AUD	*		*		*		58
CBP Revenue 2010 (Mandatory)	AUD					*		58
Customs-Trade Partnership Against Terrorism (C-TPAT)	AUD	*		*				59
CBP's Procurement of Land for the Construction of Border Patrol Facilities	AUD	*	*	*				59
<b>Carryover Projects</b>								
Free and Secure Trade (FAST)	AUD	*	*	*				59
Western Hemisphere Travel Initiative – Air Entry	AUD	*		*				60
FY 2008 Secure Border Initiative Financial Accountability (Mandatory)	AUD					*		60
Western Hemisphere Travel Initiative – Land Entry	AUD	*		*				60
CBP Protection's User Fees Authorized Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended	AUD	*						60
Refund and Drawback Processes for CBP	AUD			*				60
CBP's Use of Container Security Initiative Information to Identify and Detect High-Risk Containers Prior to Lading	AUD	*		*				60
Progress Report on CBP's ATS (Mandatory)	AUD		*			*		61
<b>UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT</b>								<b>61</b>
<b>New Projects</b>								
The Performance of 287(g) Agreements With State and Local Authorities (Mandatory)	ISP	*	*	*		*		61
ICE's 287(g) Agreements Report Update (Mandatory)	ISP	*	*	*		*		61
Allegation of Improper Release of ICE Worksite Enforcement Strategy (Congressional)	ISP	*	*	*				62
Mental Health Care for Alien Detainees	ISP	*	*	*				62
ICE Policies on the Use of Race in Enforcement Activities	ISP	*	*	*				62
ICE's Age Determinations Report Update (Mandatory)	ISP	*	*	*		*		63
ICE Processing of Criminal Aliens Eligible for Deportation —Part 2	AUD	*	*					63

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
ICE Removal of Criminal Aliens Eligible for Deportation —Part 3	AUD	*	*					64
ICE Alternatives to Detention Program	AUD	*	*					64
Reconciliation of Social Security Administration <i>Illegal Immigrant Reform and Immigrant Responsibility Act of 1996</i> Compliance Expenses and Reimbursements	AUD		*					65
<b>Carryover Projects</b>								
Age Determination Practices for Unaccompanied Alien Children in ICE Custody (Mandatory)	ISP	*	*	*		*		65
ICE's Review of Medical Treatment Requests	ISP	*	*	*				65
Transfer of Detainees in ICE Custody	ISP	*	*	*				66
Management and Oversight of ICE's Office of International Affairs Internal Controls for Acquisitions and Employee Integrity Processes	ISP AUD	*	*	*				66
ICE Privacy Management	IT-A			*				66
ICE's Program for Identifying Criminal Aliens Eligible for Deportation —Part 1 (title changed from Audit of USICE's Program for Identifying and Removing Deportable Criminal Aliens)	AUD	*	*					66
ICE's Management Controls Related to Detainee Telephone Services (title changed from ICE Information and Communications Management Controls Related to Detainee Telephone Services)	AUD			*				66
ICE IT-Management	IT-A	*	*	*				67
<b>UNITES STATES SECRET SERVICE</b>								
<b>67</b>								
<b>Carryover Project</b>								
Inaugural Security (Congressional)	ISP	*	*	*				67
<b>MULTIPLE COMPONENTS</b>								
<b>67</b>								
<b>New Projects</b>								
DHS' Intelligence Systems' Effectiveness to Share Information	IT-A	*						67
DHS Passenger Vessel Security	AUD				*			68

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
Adequacy of DHS' Controls Over Seized Contraband	AUD			*				68
Oversight of DHS' Handling of Controlled Unclassified Information	ISP			*		*		69
<b>Carryover Projects</b>								
Procurement of Explosives Detection Equipment – Department-wide (Congressional)	AUD				*			69
Use of Multiple Databases in Intelligence Watchlists	ISP	*	*	*				69
Coordination and Effectiveness of TSA's and S&T's Behavior Screening Programs	ISP	*	*	*				69
Intelligence and Information Sharing Among DHS Immigration Components	ISP	*	*	*				70
DHS Spending on Conferences (Congressional)	ISP	*	*	*				70
DHS Counterintelligence Activities	ISP	*	*	*				70
Position Management in Selected DHS Internal Affairs Offices	ISP	*	*	*				70
DHS Internal Investigative Operations	ISP	*	*	*				70
Controls Over Accountable Property – Firearms	AUD			*				71
<b>OTHER ACTIVITIES: AUDIT AND INSPECTIONS OFFICES</b>								
<b>New Projects</b>								
Management Challenges FY 2010 (Mandatory)	AUD			*		*		72
Single Audit Act Reviews (Mandatory)	AUD					*	*	72
Intelligence Oversight and Quarterly Reporting (Mandatory)	ISP	*	*	*		*		73
DHS Intelligence Components' Participation in Foreign Intelligence Activities	ISP	*	*	*				73
Oversight of Contracted IT-Related Testing Performed as Part of DHS' FY 2010 Audited Financial Statements (Mandatory)	IT-A			*		*		74
<b>Carryover Projects</b>								
Management Challenges FY 2009 (Mandatory)	AUD			*		*		74
Secure Border Initiative and SBInet 2009 Program Oversight (No report to be issued)	AUD				*			74

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
Followup on DHS' Progress in Implementing Recommendations Related to Auditability Assessment of DHS' Statement of Budgetary Resources (FY 2009) (No report to be issued)	AUD			*				75
Followup on DHS' Progress in Implementing Recommendations Related to the Audits of FEMA, TSA, and USCG's FY 2008 Mission Action Plans (No report to be issued)	AUD			*				75
Followup on DHS' Progress in Implementing Recommendations Related to the Audit of Management's Implementation of OMB Circular A-123 (No report to be issued)	AUD			*				75
<b>American Recovery and Reinvestment Act of 2009 Projects</b>								<b>85</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>								<b>85</b>
<b>Carryover Project</b>								
Infrastructure Protection Grants for Transit and Maritime Port Security Funded by the <i>American Recovery and Reinvestment Act of 2009</i> (title changed from Infrastructure Protection Activities Grant Awards)	AUD						*	85
<b>TRANSPORTATION SECURITY ADMINISTRATION</b>								<b>86</b>
<b>New Projects</b>								
Acquisition and Installation at Airports of Baggage Explosives Detection Systems Funded by the <i>American Recovery and Reinvestment Act of 2009</i> (electronic baggage screening program)	AUD						*	86
<b>Carryover Projects</b>								
Acquisition and Installation at Airports of Passenger Explosives Detection Systems Funded by the <i>American Recovery and Reinvestment Act of 2009</i> (passenger screening program)	AUD						*	86

Project Title	OIG Office	FY 2010 Budget Priorities	Secretary Initiatives	Management Challenges	DHS Strategic Goals	Legislative Mandates	ARRA	Page # in Plan
<b>UNITED STATES CUSTOMS AND BORDER PROTECTION</b>								<b>87</b>
<b>Carryover Projects</b>								
Construction of Land Ports of Entry Funded by the <i>American Recovery and Reinvestment Act of 2009</i>	AUD						*	87
CBP's Development and Deployment of Its Secure Border Initiative Technology Program (SBInet) Funded by the <i>American Recovery and Reinvestment Act of 2009</i>	AUD						*	87
<b>MULTIPLE COMPONENTS</b>								<b>88</b>
<b>Carryover Projects</b>								
Process Used by the DHS to Monitor Reporting by Recipients of <i>American Recovery and Reinvestment Act of 2009</i> Funds (Mandatory)	AUD						*	88
DHS' Recovery Act Acquisition and Grants Workforce Staffing and Qualifications (Mandatory)	AUD						*	88
DHS Agency Recovery Plan	AUD						*	89

## Chapter 6 – Project Narratives

### DIRECTORATE FOR MANAGEMENT

#### **Annual Evaluation of DHS' Information Security Program for FY 2010** *(Mandatory)*

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

**Objective:** Determine what progress DHS has made in resolving weaknesses cited in our prior year review of FISMA compliance. *Office of IT Audits*

#### **IT Matters Related to the FY 2009 Financial Statement Audit – DHS Consolidated** *(Mandatory)*

We contracted with an independent public accounting (IPA) firm to conduct DHS' annual financial statement audit. As a part of this annual audit, the IPA firm's IT auditors perform a review of general and application controls in place over DHS' critical financial systems.

**Objective:** Determine the effectiveness of DHS' general and application controls over critical financial systems and data. *Office of IT Audits*

#### **DHS Financial Systems Consolidation Project**

DHS' Transformation and Systems Consolidation program will consolidate component financial systems down to one or two financial solutions. As part of this consolidation effort, and before components migrate to the new solutions, the Resource Management Transformation Office must identify component-specific requirements.

**Objective:** Determine the process that the Resource Management Transformation Office will use to develop requirements for the DHS financial systems consolidation project and ensure that component requirements have been incorporated and considered for the new system design and processing. *Office of IT Audits*

### **DHS' Data Center Consolidation Program**

DHS is in the process of consolidating its data centers by migrating current processing to two new centers. DHS has estimated that this effort will cost between \$530 million and \$600 million. Additionally, DHS intends to ensure that these two new data centers provide redundancy for each other to ensure continuity of operations for enterprise data centers in the event of disaster.

**Objective:** Determine the effectiveness of DHS' consolidation efforts to achieve its cost savings and efficiency goals. *Office of IT Audits*

### **DHS Personnel Systems Security**

The Human Capital Business Systems unit of the Chief Human Capital Office is responsible for the consolidation of 144 component personnel systems into one enterprise-wide solution. Currently, the unit is responsible for managing three web-based applications: (1) WebTA for time and attendance, (2) EmpowHR for core personnel processing, and (3) Softscape for administering the new performance plans and policies.

**Objective:** Determine whether DHS has implemented adequate controls to secure the personal data processed by its human resources systems. *Office of IT Audits*

### **DHS IT Management Structure Followup**

Creating a single infrastructure for effective communications and information exchange remains a major management challenge for the DHS Chief Information Officer (CIO). In our September 2008 report, *Progress Made in Strengthening DHS Information Technology Management, But Challenges Remain*, OIG-08-91, we conclude that the department had made progress with its IT management practices and solidified the DHS CIO's IT management authority. However, we identified issues related to the DHS Office of the CIO's staffing levels, the DHS CIO's control of department-wide IT alignment and budgets, and component-level strategic planning. During this followup review, we will examine progress made in addressing these issues.

**Objective:** Determine the effectiveness of recent DHS actions to strengthen CIO IT management authority and whether these changes have helped further progress toward creating a single department-wide infrastructure for effective communications and information exchange. *Office of IT Audits*

### **Unauthorized Client Software**

Individual DHS components determine which software is needed to support its users and authorize the deployment of that software to client workstations. Policy generally prohibits a user from installing any software beyond the authorized set. However, users may

unintentionally download unauthorized software to their workstation if the proper administrative controls are not in place to detect and deny such an action.

**Objective:** Determine whether DHS has implemented effective controls to identify, prevent, and remove unauthorized client software and malware. *Office of IT Audits*

### **DHS' Oversight of Component-level Acquisition Programs**

Acquisitions consume at least one-third of the department's annual budget and are fundamental to DHS' ability to accomplish its mission. The department continues to face challenges associated with implementing an acquisition function that is not fully integrated. A successful DHS acquisition program requires effective acquisition management oversight and controls at the component level.

**Objective:** Determine whether DHS has established management oversight and controls at the component level to ensure that acquisition programs assist in accomplishing the components' respective missions. *Office of Audits*

### **Use of Other Than Full and Open Competition (Noncompetitive Contracting) FY 2009 (Mandatory)**

Competition is presumed to provide the government the best value in obtaining needed supplies and services. Federal regulations provide for noncompetitive acquisitions under certain conditions. Allowable justifications for sole source awards include special programs, such as the 8(a) Business Development Program for small and disadvantaged businesses. When the federal government awards contracts with other than full and open competition, the procuring agency must document its justification in writing and obtain the approval of appropriate designated officials. The *Consolidated Appropriations Act* directs the OIG to review the department's contracts awarded during the previous FY through other than full and open competition to determine compliance with applicable laws and regulations.

**Objective:** Determine whether adequate controls are in place to ensure that DHS uses other than full and open competition practices only as allowed under federal regulations and properly justifies their use. *Office of Audits*

### **FY 2010 Chief Financial Officer Act Audits – Audits of the DHS' Consolidated Financial Statements, Internal Control Over Financial Reporting, and the Individual Financial Statements of CBP, FLETC, TSA, ICE, and USCIS (Mandatory)**

Specifically, we will complete the required *Chief Financial Officer Act* audits related to the consolidated and individual component financial statements:

- DHS Consolidated Audit Report – Independent Auditors' Report on DHS FY 2010 Consolidated Financial Statements – Final Report November 2010
- DHS Consolidated Report – Independent Auditors' Report on Internal Control Over Financial Reporting – November 2010

- DHS Consolidated Audit Report – Management Letter for DHS FY 2010 Consolidated Financial Statements audit – Final Report January 2011
- CBP Audit Report – Independent Auditors’ Report on CBP’s FY 2010 Consolidated Financial Statements – Final Report December 2010
- CBP Audit Report – Management Letter for CBP’s FY 2010 Consolidated Financial Statements audit – Final Report January 2011
- FEMA Audit Report – Independent Auditors’ Report on FEMA’s FY 2010 Consolidated Financial Statements – Final Report December 2010
- FEMA Audit Report – Management Letter for FEMA’s FY 2010 Consolidated Financial Statements audit – Final Report January 2011
- FEMA Audit Report – National Flood Insurance Program (NFIP) – Final Report December 2010
- FLETC Audit Report – Independent Auditors’ Report on FLETC’s FY 2010 Consolidated Financial Statements – Final Report December 2010
- FLETC Audit Report – Management Letter for FLETC’s FY 2010 Consolidated Financial Statements audit – Final Report January 2011
- TSA Audit Report – Independent Auditors’ Report on TSA’s Consolidated Balance Sheet at September 30, 2010 – Final Report December 2010
- TSA Audit Report – Management Letter for TSA’s FY 2010 Consolidated Financial Statements audit – Final Report January 2011
- ICE Audit Report – Independent Auditors’ Report on ICE’s Consolidated Balance Sheet at September 30, 2010 – Final Report December 2010
- ICE Audit Report – Management Letter for ICE’s FY 2010 Financial Statements audit – Final Report January 2011
- USCIS Audit Report – Independent Auditors’ Report on USCIS’ Consolidated Balance Sheet at September 30, 2010 – Final Report December 2010
- USCIS Audit Report – Management Letter for USCIS’ FY 2010 Consolidated Financial Statements audit – Final Report January 2011

**Objectives:** Ascertain and report on the fairness of presentations of DHS’ FY 2010 financial statements and FY 2010 financial statements at the individual component level of materiality; 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 to identify noncompliance that could have a material effect on the financial statements; and report on noncompliance disclosed by the audit. Also, ascertain and report on the effectiveness of DHS’ internal controls over financial reporting. This audit addresses financial performance in the President’s Management Agenda. *Office of Audits*

### **FY 2010 ONDCP Reviews at CBP, ICE, and USCG (Mandatory)**

We will contract with an IPA firm to conduct the ONDCP reviews of CBP's, ICE's, and USCG's management assertions. This review addresses, in part, financial performance in the President's Management Agenda. We will oversee the reviews of the ONDCP Management Assertions for the following components:

- CBP Audit Report – Review of FY 2010 ONDCP Management Assertions
- CBP Audit Report – Review of FY 2010 ONDCP Performance Summary Report
- ICE Audit Report – Review of FY 2010 ONDCP Management Assertions
- ICE Audit Report – Review of FY 2010 ONDCP Performance Summary Report
- USCG Audit Report – Review of FY 2010 ONDCP Management Assertions
- USCG Audit Report – Review of FY 2010 ONDCP Performance Summary Report

**Objective:** Ascertain and report on the reliability of management's assertions included in its Annual Accounting of Drug Control Funds. *Office of Audits*

### ***Directorate for Management Carryover Projects***

#### **Use of DHS Purchase and Travel Cards**

Purchase cards provide federal agencies a flexible and efficient way of (1) obtaining commercial goods and services through over-the-counter purchases, phone orders, mail/catalog orders, and Internet purchases; and (2) making vendor payments. Similarly, travel cards are used to pay for official government travel expenses. DHS encourages the use of purchase cards for all appropriate transactions and they are the preferred method for micro-purchases, as defined by the Federal Acquisition Regulation. When well controlled, purchase cards facilitate improved mission support and reduce transaction processing costs.

However, as recently as March 2008, the GAO identified government-wide internal control weaknesses in the purchase card programs. Less than 2 years earlier, the GAO and DHS OIG had reported that a weak control environment and breakdowns in key controls exposed DHS to fraud and abuse in its use of purchase cards.

**Objective:** Determine whether DHS has internal controls in place to ensure that purchase and travel cards are being used for their intended purposes. *Office of Audits*

#### **Security Controls for the Active Directory**

Active Directory (AD) is the directory service associated with Microsoft Windows Server operating systems. AD enables centralized, secure management of an entire network of users, which might span a building, a city, or a geographical region. AD allows administrators to add, delete, organize, and maintain user accounts, local administrative

accounts, and system service accounts, as well as define and enforce password and permission polices across the enterprise.

Because AD is such a powerful tool for administrators, access should be limited to minimize the threat of insider attacks—either malicious or a result of human error—as well as external attacks that could elevate privileges through weak security measures. Effective access controls implemented through AD services and trusts is a core element of an enterprise security program.

**Objective:** Determine whether DHS has securely implemented AD services to deter outside cyber attacks, and has implemented effective trust security throughout the enterprise. *Office of IT Audits*

### **DHS Contracts With Low Wage Payments (Congressional)**

**Objective:** Determine whether the actual wages paid for subcontracted low-wage service work comply with prevailing wage structure and the prime contractor's initial wage schedule. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **DHS' Progress in Implementing Homeland Security Presidential Directive 12**

**Objective:** Determine whether DHS is meeting Homeland Security Presidential Directive 12 implementation requirements and is completing actions to address prior audit recommendations. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Data Center Consolidation Issues at Stennis Space Center**

**Objective:** Determine DHS' progress in establishing a primary data center at the Stennis Space Center and whether Stennis Space Center is best suited for DHS' needs and requirements. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **DHS' Financial Systems Consolidation Initiative**

**Objective:** Determine the effectiveness of the process that DHS will use to migrate DHS components to the new financial systems solutions, and determine that security and data transfer issues are properly addressed to ensure that the integrity of the financial information is maintained. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**FEMA's Working Capital Fund**

**Objective:** Determine the appropriateness of the budget and related working capital fund costs to support centralized services. We will also validate the algorithm to determine whether customers of such services are appropriately charged. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**Acquisition Data Management**

**Objective:** Determine the efficacy of DHS' systems and internal controls for managing and reporting acquisition data. We will audit the implementation of quality and security controls over acquisition data. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Other Than Full and Open Competition (Noncompetitive) FY 2008 (Mandatory)**

**Objective:** Determine whether adequate controls are in place to ensure that DHS uses other than full and open competition practices only as allowed under federal regulations and properly justifies its use. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**FY 2009 Integrated DHS Consolidated Chief Financial Officer Act and Internal Control Over Financial Reporting Audit; and the Individual Financial Statement Audits of CBP, FLETC, TSA, ICE, and USCIS (Mandatory)**

**Objectives:** Ascertain and report on the fairness of presentations of DHS' FY 2009 financial statements and provide an opinion on internal controls over financial reporting. Additionally, at the component level, ascertain and report on the fairness of presentations of the FY 2009 financial statements at the component level of materiality; obtain an understanding of internal controls 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, noncompliance with which could have a material effect on the financial statements; and report on noncompliance disclosed by the audit. This audit addresses financial performance as outlined in the President's Management Agenda. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**FY 2009 ONDCP Reviews at CBP, ICE, and USCG (Mandatory)**

**Objective:** Ascertain and report on the reliability of management's assertions included in its Annual Accounting of Drug Control Funds. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

## DIRECTORATE FOR NATIONAL PROTECTION AND PROGRAMS

### **National Cyber Security Review Status Followup**

The National Cyber Security Division (NCSA) has been charged with coordinating the implementation of the National Infrastructure Protection Plan 2009 and serves as the single national point of contact for the public and private sector regarding cyber security issues. NCSA is also responsible for identifying, analyzing, and reducing cyber threats and vulnerabilities; disseminating threat warning information; coordinating incident response; and providing technical assistance in continuity of operations and recovery planning. In carrying out its role, NCSA must work closely with industry and share highly sensitive information with a large number of partners both within and outside of the United States.

**Objective:** Determine NCSA's status in implementing the recommendations in the National Infrastructure Protection Plan 2009 and management of the department's cyber security program, with an emphasis on the security controls for systems used in obtaining, vetting, and distributing sensitive cyber security information. *Office of IT Audits*

### **Evaluation of Einstein**

Einstein, managed by DHS, acts as an intrusion detection system to collect, analyze, and share aggregated network computer security information across the federal government. Einstein monitors government agencies' networks to identify and respond to cyber threats and attacks, improve network security, increase the resiliency of critical electronically delivered government services, and enhance the survivability of the Internet, sending information back to the United States Computer Emergency Readiness Team (US-CERT). Einstein also leverages IT so that US-CERT can automate the sharing of critical cyber security information across the entire federal government.

**Objective:** Determine whether sensitive Einstein data are adequately safeguarded and evaluate the effectiveness of Einstein in protecting federal government networks from malicious intrusions and attacks. *Office of IT Audits*

### **Risk Reduction Efforts in the Dam Sector**

The Dam Sector, which includes levees and other water containment devices, is one of the Nation's 18 critical infrastructure sectors. As Hurricane Katrina demonstrated, a successful attack against or destruction of a dam or levee could have significant impacts on human health, energy production, and the U.S. economy. DHS must work with federal, state, and private sector experts to maximize the Dam Sector's protective status. Like other critical infrastructure, the Dam Sector undertakes a variety of activities to ensure that security goals are met.

**Objectives:** Determine the efficacy of management controls over the dam sector program including levee identification, consequence analysis and modeling, and response and recovery planning and funding. *Office of Audits*

**NPPD's Use of FY 2006 Program Appropriations to Fund Shared Service Administrative Transactions** (*DHS Request*)

The DHS Acting Chief Financial Officer (CFO) has requested that we conduct a formal investigation and provide a report on *Anti-Deficiency Act* violations at the National Protection and Programs Directorate (formerly the Preparedness Directorate). The possible violations involve the Preparedness Directorate's use of FY 2006 program appropriations to fund shared service administrative transactions.

**Objective:** Determine whether an *Anti-Deficiency Act* violation occurred regarding the Preparedness Directorate's use of FY 2006 program appropriations to fund shared service administrative transactions. *Office of Audits*

***Directorate for National Protection and Programs  
Carryover Projects***

**Site Selection – National Bio and Agro-Defense Facility** (*Congressional*)

**Objectives:** Determine whether (1) the Environmental Impact Statement meets the legal requirements of the *National Environmental Policy Act* (42 U.S.C. 4321); (2) DHS officials inappropriately lobbied for the Kansas site; and (3) the evaluation criteria assessed, weighed, and scored each site fairly. In addition, determine why DHS did not inform the public of the importance of in-kind contributions in the first public notice requesting Expressions of Interest, and the rationale for allowing the public only 30 days to comment on the final Environmental Impact Statement. Finally, determine why DHS officials approached the site selection process as they would a contract and whether any laws were broken or DHS policies were violated. *Office of Inspections*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**Effectiveness of Protective Security Advisors in Reducing Risk to Critical Infrastructure**

**Objectives:** Determine (1) to what extent protective security advisors (PSAs) are aligned to support the National Protection and Programs Directorate's primary national preparedness mission and the department's overall critical infrastructure protection strategy; (2) whether adequate guidance and resources have been provided to support the program's growth; (3) the methods that PSAs use to identify, prioritize, and assess critical infrastructure and key resources with the emphasis on Petroleum and Natural Gas subsectors; (4) how facility operators and state and local emergency responders use the work that is done by PSAs; and (5) the metrics that the PSA Program uses to assess its own performance. *Office of Inspections*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**DHS' Process Control Conference Fees (DHS Request)**

**Objective:** At the request of DHS' CFO, determine whether a violation of the *Miscellaneous Receipts Act* and/or the *Anti-Deficiency Act* occurred from the receipt of conference registration fees. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**The United States Computer Emergency Readiness Team**

**Objectives:** Determine the effectiveness of US-CERT operations and whether adequate security controls are in place to secure the US-CERT network and the services it supports, including the US-CERT public website and Secure Portal. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**DIRECTORATE FOR SCIENCE AND TECHNOLOGY**

**S&T's Oversight of Federally Funded Research and Development Centers**

According to the Federal Acquisition Regulation, Federally Funded Research and Development Centers (FFRDCs) are intended to meet special long-term research or development needs that cannot be met as effectively by existing in-house or contractor resources. In sponsoring an FFRDC, federal agencies draw on academic and private sector resources to accomplish tasks that are integral to the mission and operation of the sponsoring agency. While conducting its business, the FAR notes that FFRDCs have special access to government resources and information including sensitive and proprietary data, which is beyond what is common for normal contractual relationships.

DHS' Secretary, acting through the Under Secretary for Science and Technology, has the authority to establish or contract with FFRDCs to provide independent analysis of homeland security issues or to carry out other responsibilities. In March 2009, S&T announced the formation of two FFRDCs to focus on program and concept analysis—the Homeland Security Studies and Analysis Institute (HSSAI) and the Homeland Security Systems Engineering and Development Institute (HS SEDI™). S&T subsequently awarded two contracts totaling approximately \$700 million for the operation of HSSAI and HS SEDI to engage the private sector in furthering homeland security objectives.

**Objectives:** Determine whether (1) S&T is providing appropriate and timely oversight and monitoring of the FFRDCs; (2) S&T is effectively reviewing contractor performance, deliverables, and costs to ensure consistency with stated FFRDC purposes and objectives and DHS mission; and (3) S&T is annually assessing the continued need and renewal justification for the FFRDCs. *Office of Inspections*

**Directorate for Science and Technology  
Carryover Project**

**S&T's Management of Contracts With a Small Business (SPADAC)**

**Objectives:** For a selected project, determine whether S&T (1) properly followed procurement regulations, Small Business Innovative Research program provisions, and federal ethics rules; and (2) provided appropriate management oversight. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**FEDERAL EMERGENCY MANAGEMENT AGENCY**

**Implementation of Recommendations From Top Officials Exercise 4 (Mandatory)**

FY2009 Appropriations, House Committee Report 110-862 requires that we review corrective actions made by DHS Top Officials Exercise (TOPOFF) 4, and make recommendations for any further improvements needed.

**Objectives:** Review changes made by DHS as a result of problems identified through TOPOFF 4 and make recommendations for any further improvements. *Office of Inspections*

**IT Matters Related to the FEMA Component of the FY 2009 DHS Financial Statement Audit (Mandatory)**

We contracted with an IPA firm to conduct DHS' annual financial statement audit. As a part of this annual audit, the IPA firm's IT auditors perform a review of general and application controls in place over the FEMA's critical financial systems.

**Objective:** Determine the effectiveness of FEMA's general and application controls over critical financial systems and data. *Office of IT Audits*

**FEMA IT Systems Modernization**

FEMA is embarking on a plan to develop and implement a multi-year IT plan that will guide the agency's capital IT investments and requirements. Employing technology as a strategic tool is crucial to FEMA's success in meeting the challenge of becoming the preeminent emergency management agency. FEMA recently requested resources to make investments in four major areas: enhancement of current mission systems, enhancement of current business systems, IT infrastructure and cyber security, and systems engineering and applications development.

**Objective:** Determine whether FEMA’s IT approach includes adequate planning, implementation, and management to support efficient and effective disaster relief assistance.  
*Office of IT Audits*

### **Disaster Assistance Grants (Nationwide)**

FEMA awards disaster assistance grants to individuals and states and local governments. We will perform audits of grantees and subgrantees, focusing on grants with potential for problems and areas that are of interest to Congress and FEMA.

**Objective:** Determine whether grantees or subgrantees accounted for and expended FEMA funds according to Federal Regulations and FEMA guidelines. *Office of Emergency Management Oversight*

### **FEMA Hiring Practices (Mandatory)**

In the report accompanying the FY 2010 DHS appropriations bill, Congress directed DHS OIG to investigate the hiring practices of FEMA pertaining to FEMA’s hiring of employees at rates above what the FEMA budget could support. As part of this mandate, DHS OIG was also directed to report to Congress on whether a budget request of \$35 million is sufficient to rectify FEMA’s pay deficiencies.

**Objectives:** Determine (1) whether FEMA hired employees at a rate above what the Agency’s budget could sustain, and (2) whether additional funding of \$35 million is sufficient to rectify the Agency’s budget shortfall. *Office of Emergency Management Oversight*

### **FEMA’s Disaster Preparedness**

In 2007, our office identified nine key areas that are critical for preparing for a catastrophic disaster and assessed the progress FEMA has made in these key areas since Hurricane Katrina struck in August 2005. We reported that FEMA had made moderate progress in five of the nine key areas. We plan to update this assessment in 2010.

**Objective:** Prepare a high-level “scorecard” assessment of FEMA’s preparedness to respond to the next catastrophic disaster. *Office of Emergency Management Oversight*

### **FEMA’s Debris Removal Program**

Removing debris created by natural and manmade disasters is an extremely important but costly endeavor for FEMA. There have been long-standing problems associated with debris removal and associated monitoring activities. In response to these problems, FEMA has been reviewing and retooling its debris removal program. We will conduct a review of the current debris removal procedures and practices, and also review a sample of recent debris removal contracts, grants, and mission assignments.

**Objective:** Assess FEMA's debris program including its recent retooling effort, and identify best practices. *Office of Emergency Management Oversight*

### **Efforts to Expedite Disaster Recovery in Louisiana**

Under the PA program, FEMA provides grants to state and local governments, Indian tribes, and specific types of nonprofit organizations. FEMA provides funds to state governments (grantees), which in turn provide funds to local governments (applicants). There have been significant delays in providing PA funding to applicants in Louisiana.

**Objective:** Determine the extent to which FEMA, grantees, and applicants are working together to effectively and efficiently carry out the PA program to rebuild the Gulf Coast from Hurricane Katrina. *Office of Emergency Management Oversight*

### **Disaster Housing Assistance Program**

The need for coordinated, long-term housing assistance to Gulf Coast residents displaced by the 2005 hurricanes resulted in the announcement of the Disaster Housing Assistance Program (DHAP) in August 2007. Originally designed to provide assistance for 18 months, the program was extended to provide additional time for families to transition to other housing options. Following Hurricane Ike in 2008, DHAP-IKE was announced. This program was designed to mirror the original DHAP program.

**Objective:** Determine the effectiveness of the disaster housing assistance to individuals impacted by catastrophic events. *Office of Emergency Management Oversight*

### **National Emergency Alert Systems**

The Emergency Alert System is an integral part of America's alert and warning system that provides the President and other authorized federal, state, and local officials with the capability to transmit an emergency message to the public during disasters or crises.

**Objective:** Determine the extent to which FEMA has implemented and tested the reliability of the Emergency Alert System to ensure that the American people are warned in situations of war, terrorist attack, natural disaster, or other hazards to public safety and well-being. *Office of Emergency Management Oversight*

### **FY 2009 Disaster Contracts**

In 2008, there were 75 presidentially-declared disasters. Significant expenditures were made responding to these disasters. FEMA has implemented a number of significant changes in the acquisitions area in the time since Hurricane Katrina. However, concerns remain in the areas of staff training and policy implementation in the field.

**Objective:** Determine (1) the efficacy of FEMA's ability to track, manage, and monitor the contracts; (2) the extent that established controls and processes have been implemented; and (3) to what extent FEMA has implemented recommendations from the DHS-OIG's reports on 2007 and 2008 disaster contracts. *Office of Emergency Management Oversight*

### **Logistics Supply Chain**

The Logistics Management Directorate is FEMA's major program office responsible for guidance, standards, execution, and governance of logistics support, services, and operations. The mission is to effectively plan, manage, and sustain the national logistics response and recovery operations in support of domestic emergencies and special events. The Logistics Management Directorate established a Logistics Concept of Operations that documents its supply chain reengineering plans and provides the overarching strategic logistics doctrine for federal disaster response. FEMA's Logistics Concept of Operations utilizes a supply chain management approach to managing logistics processes.

**Objective:** Determine the effectiveness of FEMA's logistics supply chain approach and determine how well FEMA coordinates and communicates with the local and state jurisdictions before, during, and after a disaster. *Office of Emergency Management Oversight*

### **FEMA's Interaction With States to Ensure Disaster Preparedness**

All disasters are local, and primary responsibility for emergency and disaster management rests with the state governors. Therefore, it is critical for states to have the capabilities to respond and manage noncatastrophic disasters without immediately relying on FEMA assistance. This review will determine to what extent FEMA's approach to enhancing state emergency management and response capabilities has worked.

**Objective:** Determine the extent state emergency management and disaster response capabilities have been advanced by: (1) FEMA regional involvement, (2) Emergency Management Assistance Compact, (3) GAP Analysis, (4) Target Capabilities List, and (5) federal grants dedicated to advancing state capabilities. *Office of Emergency Management Oversight*

### **Disasters Preparedness of Other Federal Agencies**

FEMA implemented the Catastrophic Disaster Response Planning Initiative in FY 2006 to ensure that the agency and its federal partners plan and prepare an appropriate, timely, and efficient response to a catastrophic disaster. Other federal agencies bear responsibility for being able to respond should their assistance be required in a disaster.

**Objective:** Collaborating with other Council of Inspectors General on Integrity and Efficiency OIGs, (1) outline the responsibilities of other agencies under federal response doctrine; (2) examine the planning, training, and exercising activities of these agencies; and (3) assess the level of preparedness of these agencies. *Office of Emergency Management Oversight*

### **Continuing Effort to Audit States' Management of State Homeland Security Program and Urban Areas Security Initiative Program Grants, 12 States to Be Determined (Mandatory)**

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, August 3, 2007, requires us to audit each state that receives State Homeland Security Program and Urban Areas Security Initiative grant funds at least once between FY 2008 and FY 2014. As part of our continuing effort to ensure the effective and appropriate use of grants administered by FEMA, we will review states' and urban areas' management of homeland security funds through the initiation of 12 audits in previously unaudited states.

**Objective:** Determine whether selected states have effectively and efficiently implemented the State Homeland Security Program and, where applicable, the Urban Areas Security Initiative program; achieved the goals of the programs; and spent funds in accordance with grant requirements. *Office of Audits*

### **Efficacy of DHS Grant Programs, Part 2 (Not previously published)**

DHS grant programs implement numerous and sometimes competing objectives addressed in various post-9/11 laws, strategies, plans, and directives. FEMA is responsible for allocating and managing the majority of DHS grants. Historically, federal grant programs have had problems with “stove-piping”—programs that focus on their narrowly defined missions without regard to the greater needs of the government as a whole. In Part 1 of this review, we focused on whether FEMA and other components of the department have identified and taken steps to mitigate duplication or redundancy within the department's various grant programs. In Part 2 of this review, we will focus efforts on actions to streamline and standardize preparedness grant application and review processes.

**Objectives:** Determine whether FEMA has taken actions to streamline and standardize preparedness grant application and review processes to promote collaboration and consistency across regions and programs. *Office of Audits*

## **Federal Emergency Management Agency Carryover Projects**

### **Selected Personnel Practices at FEMA's Maryland National Processing Service Center (Congressional)**

**Objective:** Determine the validity of allegations made regarding FEMA's Maryland National Processing Service Center. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **All-Hazards Mitigation Efforts**

**Objectives:** Determine to what extent FEMA is leading efforts to mitigate all hazards and evaluate FEMA's role, leadership, and contribution in addressing all necessary tasks and activities to mitigate hazards associated with the 15 national planning scenarios. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's PA Project Management Process (Congressional)**

**Objectives:** Determine the effectiveness of FEMA's process for monitoring PA projects, including the use of project worksheets, and identify opportunities for improving the current process, as applicable. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Housing Strategy for Future Disasters**

**Objectives:** Determine the efficacy of FEMA's interagency housing coordination, strategic plans for providing emergency housing to future disaster victims, and strategy for addressing the persistent temporary housing issues. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's National Processing Service Center Operations**

**Objectives:** Determine to what extent FEMA is prepared to meet staffing requirements and address the increased volume of inquiries and applications during large-scale disasters. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Incident Management Assistance Teams**

**Objectives:** Determine (1) the role and capabilities of an Incident Management Assistance Teams (IMAT) during various types of disasters, (2) when all IMATs will be fully

operational, (3) who is responsible for coordination and management, and (4) their ability to respond within 12 hours, including contingency plans.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's PA Program Funding for Hazard Mitigation Measures**

**Objective:** Determine how effectively FEMA is managing PA mitigation grants across the hurricane-damaged Gulf Coast. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Federal Incident Management Planning Efforts**

**Objectives:** Determine to what extent other planning requisites have been fulfilled within the federal planning structure and to develop a baseline to measure progress in developing plans that align with each of the 15 national planning scenarios.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Disaster Closeout Process**

**Objective:** Determine whether open disaster declarations should be closed and funds deobligated. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Temporary Housing Unit Program**

**Objectives:** Determine (1) the efficacy of the program, including funding, staffing, contracting, acquisition management, and property accountability; (2) the utility of maintaining FEMA storage facilities; and (3) the effectiveness of the procedures to ensure the proper maintenance of the housing assets. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Federal Disaster Assistance Application Process**

**Objectives:** Determine to what extent FEMA's revised disaster application process (1) registers disaster victims in a "one-stop" manner; (2) safeguards against waste, fraud, and abuse; and (3) is coordinated with state and local governments and voluntary organizations such as the American Red Cross. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Logistics Management Process for Responding to Catastrophic Disasters**

**Objective:** Determine to what extent FEMA has improved its logistics management since Hurricane Katrina and what additional changes are needed.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Select FY 2008 Disaster Contracts**

**Objectives:** Determine (1) the efficacy of FEMA's ability to track, manage, and monitor the contracts; (2) whether adequate provisions were included in the contracts to deter and detect fraud, waste, and abuse; (3) the effectiveness of communication and coordination within FEMA to ensure continuous monitoring of contracts transferred between offices and acquisition professionals; (4) the extent to which established controls and processes have or have not been implemented and the resulting impact on providing goods and services; and (5) what impact, if any, acquisition-related legislation enacted after October 1, 2006, has had on the selected contracts. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **FEMA's Cost Allocation Process for Employee-related Expenses Associated With Presidentially-declared Disasters**

**Objectives:** Determine the effectiveness of FEMA's internal controls to provide reasonable assurance that salary, travel, and other expenses associated with disaster assistance employees are charged to the appropriate presidentially-declared disaster or administrative account. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **PA Appeals Process**

**Objectives:** Determine (1) the causes and cost of adjudicating applicant, subgrantee, or grantee appeals; (2) whether FEMA appeal determinations are impartial, comply with PA regulations and guidelines, and completed in a timely manner; (3) whether the process is cost effective; and (4) improvements FEMA can make to the current process. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Emergency Support Function 6 – Implementation of Mass Care and Emergency Assistance**

**Objectives :** Determine (1) to what extent FEMA has coordinated with each of the federal, state, tribal, local and voluntary agencies in developing and implementing its SOP for mass care and emergency assistance, and (2) the efficacy of the SOP.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **State, Tribal, and Community Level Incident Management Planning Efforts**

**Objectives:** Determine whether state, tribal, and local governments have developed plans that align with the 15 national planning scenarios and to what extent these plans are integrated and mutually supportive of federal plans.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Tracking PA Insurance Requirements**

**Objectives:** Determine the extent to which FEMA and the states monitor and track insurance requirements and whether facilities that were required to maintain insurance, but did not, received assistance a second time. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **State Administration of FEMA's PA Projects – Multiple State Audits**

**Objectives:** Determine whether states (grantees) are (1) providing adequate guidance to subgrantees to ensure that they are aware of grant requirements and eligibility of costs, (2) sufficiently monitoring the activities of subgrantees, (3) submitting administrative plans and quarterly progress reports that include required procedures and elements for proper grant administration, and (4) using the administrative allowance for authorized purposes.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Management and Oversight of PA Technical Assistance Contractors**

**Objective:** Determine the efficacy of FEMA's management of PA technical assistance contractors, including processes and procedures for awarding individual task orders, evaluating contractor performance, and certifying contractor billings.

*Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Effectiveness of FEMA's Remedial Action Management Program**

**Objective:** Determine to what extent FEMA is using its Remedial Action Management Program to implement lessons learned from Hurricane Katrina and other disasters to improve its readiness for the next catastrophic disaster. *Office of Emergency Management Oversight*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Contracting Officer's Technical Representative Program**

**Objectives:** Determine whether (1) policies, procedures, and processes have been established and communicated to all Contracting Officer's Technical Representatives and are being implemented consistently; (2) a system of knowledge management and document retention

has been implemented and if standardized documentation exists; (3) training requirements have been established, and how they are being tracked; and (4) strategies and plans have been developed to staff a catastrophic disaster. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Disaster Purchase Card Use**

**Objectives:** Determine FEMA's efficacy in managing and overseeing disaster-related use of the purchase card and whether adequate internal controls were in place to deter and detect fraud, waste, and abuse. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **FEMA's Implementation of Federal Regulations Applying to Government-Furnished Equipment**

**Objectives:** Determine FEMA's compliance with the Federal Acquisition Regulation and its controls over government-furnished equipment. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Progress in Implementing Disaster Responders' Credentials**

**Objectives:** Determine (1) the extent to which FEMA has implemented the initiative stated in Section 510 of *Post-Katrina Emergency Management Reform Act of 2006*; (2) whether FEMA is actively engaged in implementing a program that facilitates delivery of emergency services; (3) whether FEMA's plans and timelines for implementing a credentialing program for the emergency management community are reasonable; and (4) what specific credentials and resources are required to ensure that federal, state, local, and private contractors are allowed in a disaster area. *Office of Emergency Management Oversight*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **FEMA's Strategy to Measure the Effectiveness of EMPG**

**Objectives:** Determine FEMA's strategy for measuring the effectiveness of EMPG funding. Specifically, we will determine whether FEMA has (1) developed a strategy for evaluating the effectiveness of EMPG funding, (2) communicated this strategy to grant recipients, and (3) developed an implementation plan for carrying out the evaluation strategy. We will look at whether the evaluation strategy reflects legislative mandates and goals for the EMPG program, reflects guidance provided by FEMA to grant recipients, and includes verifiable performance measures. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**FEMA’s Management of the EMPG Program**

**Objectives:** Determine (1) whether program guidance is clear and reflects the program’s legislative mandate; (2) how applications are reviewed and funding decisions are made; (3) whether FEMA has the people, processes, and systems in place for making timely and accurate grant awards; and (4) whether FEMA has effective procedures in place for monitoring grants post-award. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Efficacy of DHS Grant Programs, Part 1 (title changed from Eliminating Stove-Piped Grant Program)**

**Objectives:** Determine whether FEMA and other components of the department have identified and taken steps to mitigate restrictions, duplication, or redundancy within the department’s various grant programs, impeding the ability of recipients to apply grant funds toward their most urgent homeland security and emergency management needs and priorities. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Continuing Effort to Audit States’ Management of the State Homeland Security Program and the Urban Areas Security Initiative Program Grants: LA, MN, NV, NY, OK, TN, TX, IL (UASI only), and CA (UASI only) (Mandatory)**

**Objective:** Determine whether selected states have effectively and efficiently implemented the State Homeland Security Program and, where applicable, the Urban Areas Security Initiative program; achieved the goals of the programs; and spent funds in accordance with grant requirements. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**FEDERAL LAW ENFORCEMENT TRAINING CENTER**

**IT Matters Related to the FLETC Component of the FY 2009 DHS Financial Statement Audit (Mandatory)**

We contracted with an IPA firm to conduct DHS’ annual financial statement audit. An individual audit of FLETC’s financial statements will be performed in conjunction with the consolidated statement audit. As a part of this annual audit, the IPA firm’s IT auditors perform a review of general and application controls in place over FLETC’s critical financial systems.

**Objective:** Determine the effectiveness of FLETC’s general and application controls over critical financial systems and data. *Office of IT Audits*

**Federal Law Enforcement Training Center  
Carryover Project**

**DHS' Anti-Deficiency Act Determination for Dormitory Leases 1 and 3 at the FLETC**

**Objective:** Determine whether the dormitory building leases at FLETC's Glynco, Georgia, facility were correctly reported by the department as operating leases under OMB Circular No. A-11, *Preparations, Submission, and Execution of the Budget*. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**OFFICE OF COUNTERNARCOTICS ENFORCEMENT**

**Carryover Project**

**Implementation of the DHS Interagency Statement of Intent for Counternarcotics Enforcement**

**Objectives:** Determine whether the current DHS resources, alignment, and organization are sufficient to support the department's counternarcotics strategy; and what opportunities exist in the United States and internationally for DHS assets to better support mission effectiveness and efficiency. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**OFFICE OF INTELLIGENCE AND ANALYSIS**

**Joint DHS/DNI Inspector General Intelligence Review of I&A**

The DHS Inspector General, in conjunction with the Office of the Director of National Intelligence Inspector General, will conduct a review of aspects of I&A's domestic intelligence production.

The focus of our review will be on the process that created and disseminated several recent I&A intelligence products on domestic and I&A support State and Local Fusion Center intelligence production. We will review how these products were identified, the research problems were framed, the products were coordinated and vetted for publication, and how and to whom the products were distributed. Additionally, we will examine the effect of any procedural or organizational changes put into place after the media exposure of some of these

products. We will also examine these processes in light of I&A's mission, authorities, and identified focus of effort.

**Objectives:** Determine the adequacy of I&A's domestic intelligence production. *Office of Inspections*

**Annual Evaluation of DHS' Information Security Program (Intelligence Systems) for FY 2010 (Mandatory)**

Identifying potential information security threats to DHS' intelligence systems is key in evaluating DHS' intelligence program. The loss or compromise of DHS' intelligence systems and/or the data contained on those systems can have severe consequences, affecting national security, U.S. citizens, and the department's missions. In response to the increasing threat to information systems and the highly networked nature of the federal computing environment, Congress, in conjunction with the Director of National Intelligence, the CIO, and the OMB, require an annual evaluation and reporting of the security program over agencies' intelligence systems. The FISMA and the Director, Central Intelligence Directive 6/3, *Protecting Sensitive Compartmented Information Within Information Systems*, requirements will be used as criteria for the evaluation.

**Objective:** Determine what progress DHS has made in resolving weaknesses cited in our prior year's review. *Office of IT Audits*

**Annual Evaluation of DHS' Information Security Program (Intelligence Systems - DNI) for FY 2010 (Mandatory)**

Identifying potential information security threats to DHS' intelligence systems is key in evaluating DHS' intelligence program. The loss or compromise of DHS' intelligence systems and/or the data contained on those systems can have severe consequences, affecting national security, U.S. citizens, and the department's missions. In response to the increasing threat to information systems and the highly networked nature of the federal computing environment, Congress, in conjunction with the Director of National Intelligence, the CIO, and the OMB, requires an annual evaluation and reporting of the security program over agencies' intelligence systems. FISMA and the Director, Central Intelligence Directive 6/3, *Protecting Sensitive Compartmented Information Within Information Systems*, requirements will be used as criteria for the evaluation.

**Objective:** Perform an independent evaluation of DHS' information security program and practices for its intelligence systems and also to determine what progress DHS has made in resolving weaknesses cited in the prior year's review. *Office of IT Audits*

### **Fusion Center Evaluation**

Augmented with staff from the Center for Strategic Management-Public Leadership Institute, we will conduct an in-depth program review of fusion center management and operations and an impact evaluation of operational activities, as well as an evaluation of the technical approach and capabilities of information sharing at five fusion centers. Our December 2008 report entitled *DHS' Role on State and Local Fusion Centers Is Evolving*, OIG-09-12, reported on DHS' efforts to provide adequate oversight and guidance for fusion centers, and what problems and challenges are being encountered as fusion centers develop. This review will expand upon our earlier findings and determine the causes of the problems and issues we identified, as well as examining best practices currently in place.

**Objectives:** Assess the performance of a sample of fusion centers, and (1) explain the causes for any performance deficiencies and shortcomings; (2) identify best practices and performance models to assist stakeholders in determining appropriate performance expectations for fusion centers, and (3) identify a successful and effective fusion center model. *Office of Inspections*

### **DHS' Human Capital and Resource Support to State and Local Fusion Centers**

In our December 2008 report, *DHS' Role on State and Local Fusion Centers Is Evolving*, OIG-09-12, we determined that I&A's coordination efforts with fusion centers were improving and evolving, and its intelligence officers assigned to fusion centers have added value. However, challenges remain with internal DHS coordination, aligning fusion center activities and funding with the department's mission, and deploying personnel to state and local fusion centers in a timely manner.

To fulfill its role as the department's executive agent for the nationwide Fusion Center Initiative, I&A coordinates with and needs support from other DHS components. However, coordination and support among a number of DHS components appeared inconsistent, with some successes and several challenges reported by fusion center officials and DHS component representatives. Communications among I&A, fusion centers, and DHS components are sometimes conducted informally or on an ad hoc basis, which may exclude relevant parties with equities in information sharing on a local or national level.

A majority of state and local officials with whom we spoke expressed a desire that representatives from DHS components be assigned to their fusion centers. Some fusion center officials said that although they requested DHS components such as ICE, CBP, or USGC to assign a representative to their fusion center, some requests have not been fulfilled. A budget constraint is the reason most often cited for DHS components' inability to assign personnel to fusion centers.

**Objectives:** Determine (1) whether fusion center needs and resource requirements are developed, (2) the extent to which representatives from DHS operational components are assigned to fusion centers, and (3) what additional DHS component personnel and resources could be identified to support fusion centers while also balancing and fulfilling DHS mission priorities. *Office of Inspections*

***Office of Intelligence and Analysis  
Carryover Project***

**Annual Evaluation of DHS' Information Security Program for FY 2009 - Intelligence Systems**

**Objective:** Determine the progress DHS has made in resolving weaknesses cited in our prior year's review. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**OFFICE OF OPERATIONS COORDINATION**

**Fusion Center IT Management**

State and local personnel have opportunities and capabilities 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. With DHS support, various states have created fusion centers as a way to facilitate the collection, dissemination, and exchange of information that DHS and other federal, local, state, and tribal government agencies need to combat terrorism. Further, DHS provides personnel and the Homeland Security Information System to the fusion centers to help support these intelligence information sharing activities.

**Objectives:** Determine the effectiveness of DHS' IT systems used to support information sharing at fusion centers. *Office of IT Audits*

***Office of Operations Coordination  
Carryover Project***

**Information Sharing at the National Operations Center (Congressional)**

**Objective:** Determine whether the National Operations Center made functional and organizational changes after Hurricane Katrina to improve the flow of information, including

whether the center instituted new procedures to ensure that incoming information is properly distributed within the center and to the Secretary. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

## TRANSPORTATION SECURITY ADMINISTRATION

### **IT Matters Related to the FY 2009 Financial Statement Audit of TSA (Mandatory)**

We contracted with an IPA firm to conduct DHS' annual financial statement audit. An individual audit of TSA's financial statements will be performed in conjunction with the consolidated statement audit. As a part of this annual audit, the IPA firm's IT auditors perform a review of general and application controls in place over TSA's critical financial systems.

**Objective:** Determine the effectiveness of TSA's general and application controls over critical financial systems and data. *Office of IT Audits*

### **TSA's Coordination With Amtrak on Passenger Rail Transit**

The TSA has had minimal interaction with Amtrak to ensure safety and security. Because of vulnerabilities and past terrorist attacks against rail systems worldwide, stakeholders need to coordinate and take action to minimize the potential impact of future rail transit emergencies on its employees, passengers, and businesses. Attacks have occurred in all corners of the globe, including Venezuela, Colombia, India, Pakistan, Spain, and the United Kingdom. These attacks resulted in more than 400 deaths and several thousand injuries. It is important to identify and assess the areas of greatest risk throughout rail transportation systems and act to prevent attacks and mitigate their potential consequences. To prepare for future threats, stakeholders must maintain surge capacity to respond when and where they emerge.

**Objective:** Determine the effectiveness of Amtrak and TSA coordination in assessing risk and allocating funding towards security operations for safeguarding passenger rail transportation. *Office of Audits*

### **TSA Penetration Testing: Air Cargo**

The TSA is responsible for overseeing aviation security and ensuring the safety of the air traveling public. This includes the screening of all passengers and property, including cargo shipped on passenger aircraft. Recent audit reports have cited weaknesses in TSA's air cargo security program. Pursuant to recommendations made by the 9/11 Commission Report, the Secretary of Homeland Security must establish a system to screen 100% of cargo transported on passenger aircraft to ensure the security of all such passenger aircraft. It defines screening as a physical examination or nonintrusive methods of assessing whether cargo poses a threat

to transportation, including x-ray systems, explosive detection systems, and explosives trace detection.

**Objective:** Through covert testing, determine whether TSA has implemented effective screening and security measures to prevent the introduction of explosives into air cargo.

*Office of Audits*

### ***Transportation Security Administration Carryover Projects***

#### **Transportation Security Officer Training and Development Program (Not previously published)**

The TSA's Transportation Security Officers (TSOs) are required to complete a certain level of training before performing their official duties. Each TSO must take at least 40 hours of classroom training and 60 hours of on-the-job training. As part of TSA's Performance Accountability and Standards System, TSA has implemented a policy requiring all TSOs to perform screening functions every week and to receive at least 3 hours of screener training per week, with an additional 4 hours per month designated exclusively for the detection of improvised explosive devices. Several prior audits identified the need for a recurrent training program as a contributing factor to many of the checkpoint test failures conducted by the OIG. One audit identified that many employees expressed frustration with what they perceived as insufficient time to fulfill training requirements and in certain cases the effect on their performance rating. Employees communicated that staffing shortages have resulted in missed training, or supervisors encouraging employees to complete training on their personal time.

**Objective:** Determine the efficacy of TSA's initial and recurring training of TSOs to enhance skills and job interest and strengthen security for the traveling public. *Office of Audits*

#### **Workforce Strength and Deployment in TSA's Federal Air Marshal Service**

**Objectives:** Determine the adequacy of TSA's Federal Air Marshal Service workforce readiness, including numbers of available marshals, staffing models and projected needs, attrition rates, and hiring plans, and turnover rates. *Office of Inspections*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

#### **Ability to Communicate With Federal Air Marshals While in Mission Status**

**Objectives:** Determine whether TSA is pursuing communication capabilities to ensure that federal air marshals who are in mission status can receive and send time-sensitive, mission-related information through secure communication while in flight; and whether the Federal Air Marshal Service is providing air marshals with timely and accurate intelligence and situational awareness when they are preparing for or in mission status. *Office of Inspections*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **TSA's Acquisition of Transportation Security Equipment**

**Objective:** Determine whether TSA provides sufficient management and oversight for the acquisition of transportation security equipment. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **TSA's Preparedness for Handling Mass Transit Emergencies (Rail)**

**Objective:** Determine TSA's efficacy in assisting passenger rail and mass transit stakeholders to prepare for and respond to emergencies. We will review TSA's efforts related to emergency response training, drills and exercises, public awareness, and information sharing. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **Newly Deployed and Enhanced Technology at the Passenger Screening Checkpoint (title changed from Whole Body Imaging Testing)**

**Objective:** Through covert testing, determine the effectiveness of TSA's use of various screening techniques, such as whole body imaging, advanced x-ray technology, and bottle liquid scanners to strengthen security at the Nation's airports. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

## **UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES**

### **IT Matters Related to the FY 2009 Financial Statement Audit of the USCIS** *(Mandatory)*

We contracted with an IPA firm to conduct DHS' annual financial statement audit. An individual audit of USCIS's financial statements will be performed in conjunction with the consolidated statement audit. As a part of this annual audit, the IPA firm's IT auditors perform a review of general and application controls in place over the USCIS's critical financial systems.

**Objective:** Determine the effectiveness of the USCIS's general and application controls over critical financial systems and data. *Office of IT Audits*

### **USCIS IT Modernization Followup**

USCIS is in the process of implementing a comprehensive IT modernization program aimed at streamlining business processes and replacing paper-based processes with modern

technology. We reported in July 2009 that USCIS faces significant challenges in managing this program and made a number of recommendations to improve its effort.

**Objective:** Determine the progress USCIS is making in addressing recommendations in our July 2009 report on IT modernization. *Office of IT Audits*

### **USCIS Chicago Lockbox Operations**

USCIS' National Benefits Center utilizes a lockbox facility in Chicago, Illinois. The lockbox is at J.P. Morgan Chase, under contract with USCIS. The lockbox processes immigration applications such as petitions/applications for Adjustment of Status Form I-485, employment and travel authorizations from immigrants, and payment for immigration services. The lockbox receives and deposits the fees.

In 2007, we received information from USCIS regarding the alleged theft of money orders sent by certified U.S. mail to its Chicago lockbox. Specifically, according to USCIS, a certified package containing the money orders and immigration applications was delivered to the lockbox and signed for by a J.P. Morgan Chase employee; however, the money orders were cashed at a local currency exchange and the immigration applications were never processed by USCIS. An investigation was conducted by the DHS OIG Office of Investigations; employees of J.P. Morgan Chase pleaded guilty to theft charges.

In 2008, our Office of Investigations was informed that lockbox procedures had been changed as a result of those thefts. New security measures include guards at the front desk monitoring security cameras and weekly Risk Manager reviews of randomly selected recordings of employee activity.

**Objective:** Determine the effectiveness of USCIS' controls over collections of immigration application fees submitted via the Chicago, Illinois, lockbox. *Office of Audits*

### **USCIS' Efforts to Address the Insider Threat to IT Systems**

The "trusted insider" continues to pose the biggest threat to the preservation of confidentiality, integrity, and availability of mission critical information. As vetted members, USCIS employees are in a position of trust and are expected to have a vested interest in the productivity and success of the organization. The risk from the insider includes IT sabotage, theft and/or modification of information. Considering the population that has authorized access to USCIS IT systems, the insider threat is potentially significant.

**Objective:** Determine the effectiveness of USCIS' program to protect its mission critical systems from an insider threat. *Office of IT Audits*

**United States Citizenship and Immigration Services  
Carryover Projects**

**Management Controls to Deter Adjudicator Fraud**

**Objectives:** Determine whether USCIS has implemented proper management controls against employee benefit fraud and whether it should introduce additional controls to improve program integrity. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**Kendell Frederick Implementation (Congressional)**

**Objective:** Determine USCIS' progress in implementing the *Kendell Frederick Act*.  
*Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**USCIS Adjudication Process, Part 2**

**Objective:** Determine the effectiveness of USCIS efforts to develop and deploy a proficient and qualified adjudicator workforce. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**UNITED STATES COAST GUARD**

**IT Matters Related to the FY 2009 Financial Statement Audit of USCG (Mandatory)**

We contracted with an IPA firm to conduct DHS' annual financial statement audit. As a part of this annual audit, the IPA firm's IT auditors perform a review of general and application controls in place over the USCG's critical financial systems.

**Objective:** Determine the effectiveness of the USCG's general and application controls over critical financial systems and data. *Office of IT Audits*

**Annual Review of the USCG's Mission Performance (FY 2009) (Mandatory)**

The *Homeland Security Act of 2002* directs the Inspector General to review annually the performance of all USCG missions with particular emphasis on non-homeland security ones. Homeland security missions include Illegal Drug Interdiction; Undocumented Migrant Interdiction; Foreign Fish Enforcement; Ports, Waterways, and Coastal Security; and Defense Readiness. Nonhomeland security missions consist of Search and Rescue, Aids to Navigation, Ice Operations, Living Marine Resources, Marine Safety, and Maritime Environmental Protection.

**Objectives:** Determine whether the USCG is maintaining its historical level of effort on nonhomeland security missions. *Office of Audits*

**USCG Anti-Deficiency Act Violation Related to Acquisition, Construction, and Improvement Expenditures (DHS Request)**

The DHS Acting CFO has requested that we conduct a formal investigation and provide a report on *Anti-Deficiency Act* violations at the USCG. The potential violations involve the USCG's use of the operating expense appropriation to complete shore construction and improvement projects for FYs 2003 through 2009.

**Objective:** Determine whether any *Anti-Deficiency Act* violations occurred regarding the USCG's use of operating expenses for acquisition, construction, and improvement projects in FYs 2003 to 2009, and whether additional violations exist. *Office of Audits*

**Integrating DHS, Federal Bureau of Investigation, and Department of Defense Biometric Databases**

DHS has made significant progress in gathering and storing fingerprint biometrics from visitors, immigrants, refugee and asylum applicants, and detainees. However, additional work is needed for verifying biometrics of aliens departing from the United States, automating verification of US-VISIT and USCIS data, and cross-checking biometrics across available federal databases.

The USCG has taken the initiative to link to the Department of Defense's Automated Identification Biometric System. The system contains fingerprints of many foreign nationals that Department of Defense encounters overseas in areas such as Iraq and Afghanistan, ranging from foreign national employees to arrested suspects. The system also contains latent prints from crime sites that range from the aftermath of truck bombs to drug processing compounds. The USCG has begun fingerprinting aliens it intercepts at sea to identify and prosecute those who make repeated attempts to enter the country illegally or are on watchlists. This initiative, known as the USCG Biometric Analytic Fusion Project, is technically complex, as it involves satellite connections to databases from handheld scanners, and integration of several sources of biometric data. To date, the USCG has had several successful "hits" during intercepts, most involving aliens with outstanding warrants or parole violations. However, the initiative does not have permanent funding. If successful, the USCG model could be integrated into other DHS biometric procedures, increasing DHS' ability to identify terror suspects and organized crime figures.

**Objectives:** Determine (1) what gaps exist in DHS' efforts to establish the identity of aliens who request entry to, immigration status, or citizenship in the United States; (2) what progress USCG has made in developing its Biometric Analytic Fusion Project; and (3) the potential to integrate this initiative into other DHS biometric processes for identifying suspected terrorists and criminals. *Office of Audits*

**The National Coast Guard Museum Funding Plan (Mandatory)**

The USCG is in the planning stages of creating a National Coast Guard Museum. As a prerequisite for the museum, Congress required the USCG to develop a funding plan to include planning, engineering, design, construction, operation, and maintenance costs. According to 14 USC § 98, the DHS Inspector General is to certify that the estimates in the plan are reasonable and realistic before the plan is submitted to Congress. The funding plan details a public-private partnership between the USCG and the National Coast Guard Museum Association and outlines the extent to which appropriated, nonappropriated, and non-federal funds will be used for museum design, construction, and operating costs.

**Objective:** Determine whether cost estimates associated with the plan to construct and operate the National Coast Guard Museum are reasonable and realistic. *Office of Audits*

**USCG's Polar Icebreaker Maintenance, Upgrade, and Acquisition Program**

National Security Presidential Directive 66 and Homeland Security Presidential Directive 25 established U.S. policy with respect to the Arctic region. Presidential Decision Directive 26 also remains in effect for Antarctic policy. In particular, these directives state that the United States “has broad and fundamental national security interests in the Arctic region” and “fundamental homeland security interests in preventing terrorist attacks in the region.” These directives will be implemented by “developing greater capabilities and capacity, as necessary, to protect U.S. air, land, and sea borders in the Arctic region.” Also, there will be “increased Arctic maritime domain awareness in order to protect maritime commerce, critical infrastructure, and key resources.”

The USCG and its fleet of polar icebreakers have a central role in increasing maritime domain awareness. Polar icebreakers must be able to respond to the mission needs of the DHS with regard to these directives. Of the USCG's three polar icebreakers, two are past their 30-year life limit with no major life extension program planned and have a decade of deferred maintenance actions. One has been inactive and in caretaker status since 2006.

**Objective:** Determine whether the USCG's polar icebreakers are capable of supporting the National Security Presidential Directive 66 and Homeland Security Presidential Directive 25 requirements for increased maritime domain awareness in the Arctic region. *Office of Audits*

## ***United States Coast Guard Carryover Projects***

### **USCG's Inspection and Investigation Efforts to Ensure Safety of Marine Commerce**

**Objectives:** Determine whether (1) USCG inspection and investigation capabilities to carry out authorities for the safety of maritime commerce of U.S. and foreign-flagged vessels are sufficient to regulate these vessels and the safety of maritime commerce; and whether (2) resource changes are needed to enhance inspection and investigation capabilities to prevent future maritime commerce safety issues. *Office of Audits*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **Allegations of Misconduct Within the USCG's Administrative Law Judge Program**

**Objectives:** Determine whether the chief Administrative Law Judge (1) directed subordinate judges to rule in favor of the USCG, and (2) discussed desired outcomes in specific cases in *ex parte* meetings with other Administrative Law Judges and other employees.

*Office of Inspections*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **Annual Review of the USCG's Mission Performance (FY 2008) (Mandatory)**

**Objective:** Determine the extent to which the USCG is maintaining its historical level of effort on nonhomeland security missions, including how resource hours, performance targets, and results for each USCG mission have changed from prior to September 11, 2001, through FY 2008. *Office of Audits*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

### **USCG's Maritime Security and Safety Teams**

**Objective:** Determine (1) the readiness of the Maritime Safety and Security Teams to perform their law enforcement and maritime homeland security missions; and (2) the decision process used to form the 12 Maritime Security and Safety Teams and the selected locations for them. *Office of Audits*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **USCG Blueprint for Acquisition Reform (Blueprint) (title changed from USCG's Acquisition Reorganization)**

**Objective:** Determine whether the USCG is meeting the implementation schedule established in the Blueprint and identify reasons for any pre-established milestone slippages.

*Office of Audits*

[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**USCG's Maritime Awareness Global Network Security (Not previously published)**

The USCG Maritime Awareness Global Network (MAGNET) uses information relating to vessels and activities within the maritime environment to accomplish the USCG's missions in the areas of maritime safety, maritime security, maritime mobility, national defense, and protection of natural resources. MAGNET is a new system that replaces the existing integrated intelligence sharing system. MAGNET correlates and provides the medium to display information such as ship registry, current ship position, crew background, passenger lists, port history, cargo, known criminal vessels, and suspect lists.

**Objective:** Determine whether USCG has implemented adequate security control to protect the personally identifiable information stored on the MAGNET. *Office of IT Audits*

**UNITED STATES CUSTOMS AND BORDER PROTECTION**

**Operation Armas Cruzadas**

“Armas Cruzadas” is an ICE-led, bilateral (US-Mexico) law enforcement and intelligence-sharing operation to thwart the illicit export of arms from the United States into Mexico. U.S. and Mexican law enforcement agencies share information and intelligence in an effort to comprehensively attack the growing gun violence in Mexico. CBP also participates in Armas Cruzadas through its involvement in the *Border Enforcement Security Task Forces*.

**Objectives:** Determine whether (1) operation Armas Cruzadas' policies and procedures promote effective and efficient information sharing and operational coordination between U.S. and Mexican authorities; (2) policies and procedures promote effective and efficient information sharing and operational coordination among the operation's DHS members and other U.S. law enforcement authorities, and other border security efforts; (3) the members of the operation comply with policies and procedures; and (4) appropriate program metrics are being used to evaluate the program's effectiveness and costs. *Office of Inspections*

**IT Matters Related to the FY 2009 Financial Statement Audit of CBP (Mandatory)**

We contracted with an IPA firm to conduct DHS' annual financial statement audit. An individual audit of CBP's financial statements will be performed in conjunction with the consolidated statement audit. As a part of this annual audit, the IPA firm's IT auditors will perform a review of general and application controls in place over CBP's critical financial systems.

**Objective:** Determine the effectiveness of CBP's general and application controls over critical financial systems and data. *Office of IT Audits*

### **CBP's IT Management**

CBP is responsible for securing the Nation's borders, preventing terrorists and their weapons from entering the country, and facilitating the flow of legitimate trade and travel. To support this mission, CBP relies heavily on an array of information systems that cost more than \$1 billion a year. CBP is the single largest user of IT resources within DHS.

**Objective:** Determine whether CBP's IT approach includes adequate planning, implementation, and management to support its mission. *Office of IT Audits*

### **CBP's Actions in Response to Los Angeles International Airport (LAX) Network Outage**

In May 2008, we reported that CBP had taken actions to address problems related to the August 11, 2007, network outage at LAX. We recommended additional actions that CBP could take to prevent network outages at LAX. Additionally, we recommended that CBP review the actions taken at LAX, and determine if these or similar actions should be taken at other ports of entry.

**Objective:** Determine what actions CBP has taken to prevent network outages at other ports of entry. *Office of IT Audits*

### **Secure Border Initiative Financial Accountability FY 2009 (Mandatory)**

The FY 2007 Homeland Security Appropriations Conference Report called for the Inspector General to review and report on Secure Border Initiative contract actions exceeding \$20 million. Congressional concerns regarding Secure Border Initiative acquisitions include ensuring accomplishment of program objectives; understanding trade-offs among the program's competing cost, schedule, and performance objectives; and assuring compliance with regulations and policy promoting competition and small business opportunities. Additionally, Congress has expressed concerns that interagency agreements are not properly managed to efficiently accomplish objectives.

**Objectives:** Determine whether Secure Border Initiative contract actions exceeding \$20 million are designed to accomplish program objectives and to comply with applicable regulations and policies. *Office of Audits*

### **Ground Transportation of Detainees**

It is paramount that CBP gain the most effective use of its Border Patrol agents and CBP officers to accomplish its border security mission. Every apprehension along the border requires transportation, security, and custodial services for managing detainees. In August

2006, CBP awarded a contract to provide transportation and security guard services. This contract removed some of this responsibility from its agents and officers, thus increasing their ability to perform mission-critical law enforcement and investigative duties. Although this contract resulted in more than 600,000 hours annually, CBP agents and officers continue to spend many hours transporting and guarding detainees on the southwest border. CBP has requested an additional \$8 million to expand the use of contract transportation and guard services for the southwest border.

**Objective:** Determine the extent to which CBP agents and officers are used to facilitate ground transportation and security functions for detained aliens and the impact this collateral duty has on CBP's ability to perform its security mission. *Office of Audits*

### **Automated Targeting System (ATS) 2010, Data Reliability (Mandatory)**

The ATS is a tool that CBP uses to capture and analyze information provided by foreign exporters, domestic importers, law enforcement, and U.S. and international governments as a means of targeting high-risk shipments. If the data analyzed are incorrect, inconsistent, or incomplete, ATS and CBP could inadvertently target and examine the wrong cargo and not identify potentially dangerous cargo. Further, unreliable data could adversely affect the rules used to update ATS. The *Coast Guard and Maritime Transportation Act of 2004*, Public Law 108-293, Section 809 (g), requires the Inspector General to evaluate and report on the effectiveness of the cargo inspection targeting system for detecting international cargo containers potentially being used for acts of terrorism.

**Objective:** Determine the reliability of the data in CBP's ATS and its effect on high-risk cargo container targeting operations. *Office of Audits*

### **CBP Revenue 2010 (Mandatory)**

More than half of the merchandise for sale in U.S. markets comes from abroad. In 2007, the total value of all imports into the United States was more than \$2 trillion. For CBP, processing these imports meant handling 22 million entry summaries with over 102 million lines, and collecting \$32 billion in revenues such as duties, entry fees, and fines. In April 2007, the GAO issued a report on CBP's revenue collection oversight. Among the report's recommendations was that the DHS Inspector General determine whether areas of high risk existed in customs revenue functions. In issuing its own report, the House Appropriations Committee included \$1.2 million in the FY 2008 Consolidated Appropriations (P.L. 110-161) with the joint explanatory statement for the Inspector General to conduct CBP revenue oversight. .

**Objective:** Determine CBP's efficacy and timeliness in collecting import duties and fees. *Office of Audits*

### **Customs-Trade Partnership Against Terrorism (C-TPAT)**

C-TPAT is a voluntary government-business initiative to build cooperative relationships that strengthen and improve overall the international supply chain and U.S. border security. Its goal is to shift responsibility for cargo security onto stakeholders in the supply chain. C-TPAT companies commit to meeting security standards in order to use their leverage to prevent terrorist organizations from exploiting their supply chains, thereby reducing the risk that terrorist weapons will be introduced into, or concealed within, their shipments.

**Objective:** Determine the efficacy of CBP's process for verifying C-TPAT members' security practices. *Office of Audits*

### **CBP's Procurement of Land for the Construction of Border Patrol Facilities**

Located within CBP, the mission of the Border Patrol is to prevent terrorists and terrorist weapons from entering the United States. In 2008, the Border Patrol's permanent facilities to support this mission included 143 stations and 20 sector headquarters buildings. By 2015, CBP plans to complete 29 new Border Patrol stations, including a planned facility in Lordsburg, New Mexico. The CBP Office of Finance, working through its facility center in Dallas, Texas, is responsible for administering construction of the Border Patrol facilities. The public has raised concerns over the cost of land acquisitions for the Border Patrol stations.

**Objective:** Determine whether CBP has adequate controls in place to ensure that it is paying a fair and equitable price for land purchases. *Office of Audits*

## ***United States Customs and Border Protection Carryover Projects***

### **Free and Secure Trade (FAST) (Not previously published)**

FAST is a program to provide a harmonized clearance process for known, low-risk commercial shippers. Under the FAST program, importers, manufacturers, commercial carriers, and truck drivers who meet certain security criteria are provided expedited clearance through designated lanes when they cross into the United States. These industry members must be participants in the C-TPAT. Truck drivers using the FAST lane must (1) be carrying qualified goods from a C-TPAT approved importer, (2) be C-TPAT approved carriers, and (3) possess valid FAST commercial identification cards. CBP had 94,500 FAST participants at the end of FY 2008. CBP projects, having about 95,000 industry members, will participate in this program during FY 2009. To support this increase in FAST volume, CBP plans to increase the number of FAST lanes to 205 at 104 ports of entry during FY 2009.

**Objective:** Determine the efficacy of CBP's enrollment and followup process for ensuring continued eligibility of participants (commercial carriers, drivers, and importers) in the Free and Secure Trade Program. *Office of Audits*

**Western Hemisphere Travel Initiative (WHTI) – Air Entry**

**Objective:** Determine whether CBP’s implementation of the WHTI secure document requirement in the air environment has improved its ability to detect and deter individuals who should not be granted admission to the United States. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**FY 2008 Secure Border Initiative Financial Accountability (Mandatory)**

**Objective:** Determine whether Secure Border Initiative contracts include adequate controls and procedures to ensure that program performance requirements are met, cost overruns are avoided, and established milestones are accomplished. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Western Hemisphere Travel Initiative – Land Entry**

**Objective:** Determine whether CBP’s implementation of the WHTI secure document requirement at land border ports has improved its ability to detect and deter individuals who should not be granted admission to the United States. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**CBP’s User Fees Authorized Under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended**

**Objective:** Determine the efficacy with which CBP sets and collects user fees authorized under the *Consolidated Omnibus Budget Reconciliation Act of 1985, as amended*. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Refund and Drawback Processes for CBP**

**Objective:** Determine whether CBP ensures that proper payments are being made through these refund processes. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**CBP’s Use of Container Security Initiative Information to Identify and Detect High-Risk Containers Prior to Lading**

**Objective:** Determine the efficacy of CBP’s management and oversight of the CSI program to achieve its mission of identifying and inspecting high-risk containers at foreign ports. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Progress Report on CBP’s Automated Targeting System (Mandatory)**

**Objective:** Determine CBP’s progress in improving the ATS as a tool in a multilayered security strategy for screening high-risk cargo. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_Rev\\_FY08.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_Rev_FY08.pdf)

**UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT**

**The Performance of 287(g) Agreements With State and Local Authorities (Mandatory)**

DHS is authorized to delegate immigration enforcement authorities to state and local government agencies in section 287(g) of the *Immigration and Nationality Act*. Section 287(g) requires DHS to delegate those authorities through formal written agreements with state and local jurisdictions and to supervise the immigration enforcement activities of participating officers in these jurisdictions.

ICE has entered into 67 agreements with state and local jurisdictions under Section 287(g). These agreements set the conditions under which personnel are eligible to participate, training requirements, complaint reporting procedures, and notification and reporting requirements. In addition to a number of other conditions, the agreements bind state and local participants in the program to abide by federal civil rights statutes and regulations, including the Department of Justice “Guidance Regarding the Use of Race by Federal Law Enforcement Agencies.” The *Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009* requires our office to determine whether the terms of these agreements have been violated by any party.

**Objectives:** Determine whether the terms of 287(g) agreements have been violated by any party with particular focus on (1) civil rights and civil liberties protections, including those against racial profiling; (2) the quality and extent of ICE supervision of 287(g) programs; and (3) data collection and reporting. *Office of Inspections*

**ICE’s 287(g) Agreements Report Update (Mandatory)**

Section 287(g) of the *Immigration and Nationality Act* empowers DHS to delegate immigration enforcement authorities to state and local government agencies through formal written agreements with state and local jurisdictions and supervise the immigration enforcement activities of participating officers in these jurisdictions. FY 2010 Appropriations, House Report 2892, Title II, mandates that DHS report on ICE’s 287(g) agreements and directs that we consult with GAO to ensure that our review considers agreements that GAO identified as “problematic.” We are currently conducting a review of the performance of selected agreements to determine whether any parties have violated the terms. The OIG consulted the GAO at the outset of the review.

**Objectives:** Provide an update to the congressional appropriations committees on action ICE has taken to address our recommendations for the 287(g) program in FY 2010. *Office of Inspections*

### **Allegation of Improper Release of ICE Worksite Enforcement Strategy (Congressional)**

At the request of Representative Hal Rogers, Ranking Member of the Subcommittee on Homeland Security, Committee on Appropriations, we are initiating an inquiry into the alleged unauthorized release of the ICE's Worksite Enforcement Strategy guidelines.

**Objectives:** (1) Determine the process of disseminating Worksite Enforcement Strategy guidelines, and (2) assess events related to their alleged unauthorized release, including ICE's actions in managing the incident. *Office of Inspections*

### **Mental Health Care for Alien Detainees**

The Office of Detention and Removal (DRO) within ICE is responsible for the identification, apprehension, and removal of illegal aliens. Aliens who are apprehended and not released from custody are placed in detention facilities. DRO must ensure safe and humane conditions of detention, including health care.

ICE established performance-based national detention standards for medical care that are designed to ensure that detainees have access to medical, dental, and mental health care, so that their health care needs are met in a timely and efficient manner. Each detention facility has an in-house or contractual mental health program that provides intake screening, referral as needed, crisis intervention, and suicide prevention.

**Objectives:** Determine ICE's compliance with mental health medical care detention standards that include (1) intake screening to identify mental health problems, and (2) access to treatment by mental health providers. *Office of Inspections*

### **ICE Policies on the Use of Race in Enforcement Activities**

ICE uses a variety of operations to enforce the Nation's immigration laws, including large worksite raids, targeted efforts against gangs, and smaller actions. Most ICE detainees come from a few countries in Central and South America. In June 2003, the Department of Justice issued "Guidance on the Use of Race by Federal Law Enforcement Agencies." The guidance declared racial profiling both wrong and inefficient. ICE adopted the policy. However, legal precedent allows law enforcement officers to make some determinations based on race. Recently, various media sources reported incidents in which ICE agents were accused of inappropriately using race as criteria for questioning some individuals. It is important to understand how ICE balances existing rules to ensure adherence to federal policy on the use of racial profiling.

**Objectives:** Determine whether (1) ICE has developed legally appropriate standards to implement federal policy on the use of race during enforcement operations, and (2) training for ICE agents and 287(g) participants is in line with legal requirements.

*Office of Inspections*

### **ICE's Age Determinations Report Update (Mandatory)**

We are currently engaged in a mandated review of ICE's age determination methodology and practices. This review was prompted by objections from members of the House of Representatives in the 110th Congress to ICE's reliance on skeletal and dental radiographs to determine the age of detainees in its custody. House Report 110-862 directed DHS, through ICE, to "cease immediately its reliance on fallible forensic evidence as determinative of a child's age." In addition, the report cited that as a result of ICE's reliance on bone and dental forensics for child age determinations; minors have been erroneously commingled in facilities with adults. In addition, Public Law 110-457 directed DHS to consult with the Department of Health and Human Services in developing procedures to make a prompt determination of the age of an alien. The FY 2010 Appropriations legislation and House Report 111-157, Title II, directs that ICE continue to review its practices for determining the age of those in its custody and to report to congressional appropriations committees any cases where ICE uses bone or dental forensic examinations.

**Objectives:** Provide an update to the congressional appropriations committees on actions ICE has taken to address its recommendations for the ICE Age Determinations review in FY 2010. *Office of Inspections*

### **ICE Processing of Criminal Aliens Eligible for Deportation – Part 2**

This will be the second of three audits to determine the efficacy of ICE's efforts to identify and deport criminal aliens from the United States.

The *Immigration Reform and Control Act of 1986* requires ICE to initiate deportation proceedings for incarcerated criminal aliens as expeditiously as possible after the date of conviction. Criminal aliens who are eligible for deportation include illegal aliens in the United States who are convicted of any crime and lawful permanent residents who are convicted of a removable offense as defined in the *Immigration and Nationality Act*.

Approximately 300,000 to 450,000 criminal aliens incarcerated in federal, state, county, and local correctional facilities are amenable for removal from the United States. Criminal aliens who are amenable for removal include illegal aliens in the United States who have been convicted of any crime and lawful permanent residents who are convicted of a removable offense as defined in the *Immigration and Nationality Act*. ICE reported that in 2008, it charged 221,085 criminal aliens and removed approximately 109,000 criminal aliens.

**Objective:** Determine the efficacy of ICE Detention and Removal Operations in processing criminal aliens incarcerated in federal, state, county, and local departments of correction and jails who are eligible for deportation from the United States. *Office of Audits*

### **ICE Removal of Criminal Aliens Eligible for Deportation – Part 3**

This will be the third of three audits to determine the efficacy of ICE's efforts to identify and deport criminal aliens from the United States.

The *Immigration Reform and Control Act of 1986* requires ICE to initiate deportation proceedings for incarcerated criminal aliens as expeditiously as possible after the date of conviction. Criminal aliens who are eligible for deportation include illegal aliens in the United States who are convicted of any crime and lawful permanent residents who are convicted of a removable offense as defined in the *Immigration and Nationality Act*.

**Objective:** Determine the efficacy of ICE detention and removal operations in detaining and removing criminal aliens detained in federal, state, county, and local detention facilities who are eligible for deportation from the United States. *Office of Audits*

### **ICE Alternatives to Detention Program**

ICE's detention management program maintains custody of the most highly transient and diverse populations of any correctional or detention system. The current ICE Detention system consists of 370 federal, state, and local detention facilities. During FY 2008, the ICE detention management program had a funded capacity of 32,000 beds and an occupancy rate in excess of 106%.

ICE created the Alternatives to Detention program to better utilize its limited detention bed space by allowing immigrants to undergo external monitoring in lieu of detention. The Alternative to Detention program utilizes four types of alternatives to detention for apprehended illegal aliens.

The Alternatives to Detention program has the potential to alleviate overcrowding at many detention facilities, reduce agency detention management and removal costs, and alleviate the stress and strain associated with the detention of immigrant families. The Alternatives to Detention program costs range from \$12 to \$22 per day versus \$95 per day at detention facilities. Pressure exists from Congress, nongovernmental organizations, and immigration rights groups to expand the program. However, program expansion must be carefully managed to minimize the risk of releasing illegal immigrants who have no intention of participating in or complying with orders of removal.

**Objectives:** Determine whether ICE's Alternatives to Detention program is having a positive impact on the cost and operational risks associated with the detention and removal of illegal aliens; and whether it has the requisite policies and procedures, internal controls, and performance metrics in place to properly oversee and evaluate program performance. *Office of Audits*

**Reconciliation of Social Security Administration *Illegal Immigrant Reform and Immigrant Responsibility Act of 1996* Compliance Expenses and Reimbursements**

The *Illegal Immigrant Reform and Immigrant Responsibility Act of 1996* establishes the requirement that a program for confirming an individual's identity and employment eligibility be established. Under the section 404 of the Act, the Commissioner of the Social Security Administration is responsible for establishing a reliable, secure method that compares the name and social security account number provided in an inquiry against such information maintained by the Commissioner in order to confirm the validity of the information provided. Congress has demonstrated interest in ensuring the Social Security Administration is reimbursed for its expenses associated with acquiring, installing, and maintaining the technological equipment and systems necessary for the Social Security Administration to fulfill its responsibilities under Section 404 of the Act. Specifically, Congress has suggested that the Commissioner of the Social Security Administration and the Secretary of Homeland Security enter into and maintain an agreement that provides funds to the Social Security Administration for the full costs of its responsibilities under the Act. Additionally, the OIG from both the Social Security Administration and DHS would be responsible for jointly conducting an annual review of the accounting and reconciliation of actual costs incurred and funds provided under the agreement.

**Objective:** Review the annual accounting and reconciliation of the actual costs incurred by the Social Security Administration and the funds provided by the DHS to the Social Security Administration for the acquisition, installation, and maintenance of technological equipment and systems necessary for the Social Security Administration to fulfill its responsibilities under Section 404 of the *Illegal Immigration and Reform and Immigrant Responsibility Act of 1996*. This audit will be a joint review with the OIG of the Social Security Administration. *Office of Audits*

***United States Immigration and Customs Enforcement  
Carryover Projects***

**Age Determination Practices for Unaccompanied Alien Children in ICE Custody  
(Mandatory)**

**Objectives:** Determine whether ICE-implemented age determination methodologies as identified in House Report 110-181 are reliable, and ceased reliance on skeletal and dental examinations as directed in House Report 110-862. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**ICE's Review of Medical Treatment Requests**

**Objectives:** Determine whether (1) the timeliness standards for ICE to approve medical services are followed and result in proper care, (2) there are enough Division of Immigration Health Services nurses working on care authorizations, and (3) the covered services package

is sufficiently comprehensive given ICE's mission and legal requirements.

*Office of Inspections*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **Transfer of Detainees in ICE Custody**

**Objectives:** Determine whether immigration detention facilities properly justify detainee transfers according to the *Detention Operations Manual* and whether resulting changes in court venue impair detainee immigration cases in significant numbers. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **Management and Oversight of ICE's Office of International Affairs Internal Controls for Acquisitions and Employee Integrity Processes**

**Objectives:** Review acquisition practices at selected ICE foreign offices in order to determine (1) the extent to which ICE has improved management controls over foreign acquisitions in order to deter fraud, waste, and abuse; and (2) the extent to which ICE applies policies, procedures, and management controls to ensure that its overseas offices properly conduct acquisitions. *Offices of Inspections and Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **ICE Privacy Management**

**Objectives:** Determine whether ICE instills a privacy culture that protects sensitive, personally identifiable information and ensures compliance with federal privacy laws and regulations. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **ICE's Program for Identifying Criminal Aliens Eligible for Deportation – Part 1 (title changed from Audit of ICE's Program for Identifying and Removing Deportable Criminal Aliens)**

**Objective:** Determine the efficacy of ICE's efforts to identify criminal aliens in federal, state, and local custody who are eligible for deportation from the United States.

*Office of Audits*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **ICE Management Controls Related to Detainee Telephone Services (title changed from ICE Information and Communications Management Controls Related to Detainee Telephone Services)**

**Objective:** Determine whether ICE's management controls provide reasonable assurance that detainees have access to telephone services in accordance with detention standards and applicable contract provisions. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY08.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY08.pdf)

### **ICE IT Management**

**Objective:** Determine ICE's effectiveness in managing its IT resources and its progress in modernizing its IT systems and related infrastructure. *Office of IT Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

## **UNITED STATES SECRET SERVICE**

### ***Carryover Project***

#### **Inaugural Security (Congressional)**

**Objectives:** Determine whether the perceptions of lax security are based on fact. Determine how, if at all, security planning for, and operations at, these events suggest possible improvements for future events. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

## **MULTIPLE COMPONENTS**

#### **DHS' Intelligence Systems' Effectiveness to Share Information**

In developing our country's response to the threats of terrorism, intelligence breaches, and cyber security attacks, public safety leaders from all disciplines have recognized the need to improve the sharing of intelligence information. A sharing process should be established within DHS to coordinate an effective response to intelligence threats and to notify and disseminate threat information to other federal agencies, states, and local/tribal entities. DHS and its components rely on a wide array of intelligence IT systems to support their respective intelligence missions. These legacy systems are stove-piped and may not share information effectively, which may hinder DHS' overall intelligence program. This audit will focus on the DHS components' efforts to share intelligence and threat information, and an evaluation of the IT systems and other mechanisms that are and can be used.

**Objective:** Determine whether DHS has established a department-wide process to effectively share intelligence information. *Office of IT Audits*

### **DHS Passenger Vessel Security**

The passenger density of domestic excursion boats and ferries make them attractive targets for terrorists. The TSA continues to aggressively test advanced explosives detection technology as part of its multiphased Security Enhancement and Capabilities Augmentation Program. Designed specifically for the maritime environment, each phase of the pilot program gives TSA the opportunity to network with different ferry and cruise ship operators around the country, test emerging technologies, and develop strategies the agency can use to respond to specific threats that arise from new intelligence or major events. In the past 3 years, TSA has conducted pilot tests on several high-volume commuter ferry systems, including the Cape May-Lewes Ferry in New Jersey, the Golden Gate Ferry in California, and the Jamestown-Scotland Ferry in Virginia.

Further, USCG regulatory efforts addressing minimum company security measures are presently based more on passenger vessel size than activity. Increased regulatory enforcement could potentially disrupt the economic activity of these vessels.

**Objective:** Determine the efficacy of DHS' efforts to improve security of passenger vessels through the use of new technology in balance with initiatives for ensuring compliance with regulatory requirements. *Office of Audits*

### **Adequacy of DHS' Controls Over Seized Contraband**

A number of DHS components, including CBP, ICE, and USCG, are responsible for seizing contraband as part of their missions.

High risk is associated with bulk cash and illegal drugs for the following reasons:

- Inability to project bulk cash seizures because of the irregular occurrence of and disparity in dollar amounts of these seizures.
- Significant high dollar amount per individual currency seizure of an individual duty, fee, or tax collection transaction.
- Larger number of internal affairs reports of cash shortages relating to currency seizures than for custodial or entity cash revenue transactions.
- Nonimplementation and postponement of procedures for counting and reporting of U.S. currency seizure collections proposed by DHS in December 2006 (to comply with the "Seized Currency Collection Arrangement" statute). As of July 11, 2008, these procedures had not been implemented).

**Objective:** Determine the effectiveness of DHS' internal controls for receipting, storing, transporting, recording, and depositing bulk cash (U.S. and foreign currency) and illegal drug seizures. *Office of Audits*

## **Oversight of DHS' Handling of Controlled Unclassified Information**

In furtherance of the Administration's commitment to openness and transparency in government, the President's memorandum of May 27, 2009, entitled *Classified Information and Controlled Unclassified Information*, directed that the Attorney General and the Secretary of Homeland Security lead an Interagency Task Force on Controlled Unclassified Information. The mission of the Task Force was to review current procedures for categorizing and sharing Sensitive But Unclassified information in order to determine whether such procedures strike the proper balance among specific imperatives. These imperatives include protecting privacy interests, civil liberties, and law enforcement sensitivities, providing clear rules for handling Sensitive But Unclassified information, and ensuring that the handling and dissemination of information is not restricted unless there is a compelling need.

For the Controlled Unclassified Information framework to be successful, DHS would need to establish a valid internal oversight approach as a part of the Controlled Unclassified Information program. The Task Force agreed that agency Inspectors General were the most appropriate entity to perform that oversight.

**Objectives:** Assess the adequacy of DHS' Controlled Unclassified Information program by determining the extent to which DHS is meeting statutory, regulatory, Executive Order, and departmental policies requiring safeguarding or dissemination protections of Controlled Unclassified Information. *Office of Inspections*

### ***Multiple Components Carryover Projects***

#### **Procurement of Explosives Detection Equipment – Department-wide (Congressional)**

**Objective:** Determine whether the department has effective oversight over the acquisition and use of detection equipment by the components. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

#### **Use of Multiple Databases in Intelligence Watchlists**

**Objectives:** Determine the utility of the databases and watchlists accessed on a regular basis to the DHS mission and whether they support current and future missions.  
*Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

#### **Coordination and Effectiveness of TSA's and S&T's Behavior Screening Programs**

**Objectives:** Determine the extent to which S&T and TSA have coordinated their efforts in this scientific area; and, the effectiveness of TSA's behavior screening or hostile intent programs. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **Intelligence and Information Sharing Among DHS Immigration Components**

**Objectives:** Determine the effectiveness and the efficiency of the mechanisms through which CBP, ICE, and USCIS share intelligence, considering the degree of coordination, user access to needed information, and potential duplication among data systems. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **DHS Spending on Conferences (Congressional)**

**Objectives:** Identify all the conferences that DHS produced or facilitated during FYs 2005 to 2007 and the total amount DHS spent on them. For a subset of the most expensive conferences, review the justifications offered for the event; the site-cost comparisons on where to hold the event; and certain conference-related costs, including food and beverages, external event planning, and audiovisual support, for compliance with applicable laws and regulations. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **DHS Counterintelligence Activities**

**Objectives:** Determine the effectiveness of DHS counterintelligence capabilities and the DHS response to counterintelligence threats; and what actions could be taken to mitigate potential deficiencies. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **Position Management in Selected DHS Internal Affairs Offices**

**Objectives:** With the assistance of the Office of Personnel Management, determine whether the internal affairs offices in CBP and ICE made efficient use of allocated positions, including in terms of cost; and complied with federal personnel laws and regulations governing use of administratively uncontrollable over time. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

### **DHS Internal Investigative Operations**

**Objectives:** Determine (1) the effectiveness of the process used to assign, manage, and address misconduct allegations received by DHS components; (2) the adequacy of coordination among DHS components in responding to allegations; and (3) whether the procedures that components use to refer allegations to the OIG comply with DHS Management Directive 0810.1. *Office of Inspections*  
[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

**Controls Over Accountable Property – Firearms**

**Objective:** Determine the extent to which DHS is complying with applicable federal and DHS policies, procedures, and internal controls over weapons, ammunition, and protective clothing. For selected offices, review the implementation of applicable policies, procedures, and internal controls. *Office of Audits*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

## Chapter 7 – Other OIG Activities Planned for FY 2010

### AUDIT & INSPECTION OFFICES

Listed below are nontraditional projects that our audit and inspection offices will undertake in FY 2010. The nature of the projects may or may not result in our issuing a report at the conclusion of the projects. Instead, projects may result in the issuance of scorecards and other documents that capture our work on non-DHS projects, such as monitoring the work of nonfederal contract auditors.

#### **Management Challenges FY 2010** *(Mandatory)*

The *Homeland Security Act of 2002* brought together 22 agencies to create a new cabinet-level department focusing on reducing U.S. vulnerability to terrorist attacks, and minimizing damages and assisting in recovery from attacks that do occur. While DHS has made progress, it still has much to do to establish a cohesive, efficient, and effective organization.

As required by the *Reports Consolidation Act of 2000*, Public Law 106-53, DHS annually reports what it considers to be the most serious management and performance challenges facing the agency and briefly assesses its progress in addressing those challenges. The report is included in the department's annual report submitted to the President, the Director of OMB, and Congress no later than 150 days after the end of the agency's FY.

The major management challenges identified, including department-wide and operational challenges, are a major factor in setting our priorities for audits, inspections, and evaluations of DHS programs and operations.

**Objective:** Summarize the department's major management challenges for FY 2010 as required by the *Reports Consolidation Act of 2000*, P.L. 106-531. *Office of Audits*

#### **Single Audit Act Reviews** *(Mandatory)*

Offices of Inspectors General serve as the federal audit agencies responsible for determining whether nonprofit organizations as well as state and local governments comply with the *Single Audit Act*. All nonfederal organizations that spend \$500,000 or more a year in federal assistance funds (i.e., grants, contracts, loans, and cooperative agreements) are required to obtain an annual audit in accordance with the Act. According to OMB Circular A-133, recipients expending more than \$50 million a year in federal awards shall have a cognizant agency for audit. For those recipients expending less than \$50 million a year but more \$500,000, the agency providing the most direct funding will have oversight responsibilities. We are the cognizant agency for eight recipients and have oversight responsibility for 633 recipients. Under OMB Circular A-133, cognizant and oversight agency responsibilities include performing quality control reviews of the single audit work performed by the nonfederal auditors.

Additionally, OMB's implementing guidance for the *American Recovery and Reinvestment Act of 2009* requires OIGs to reach out to the auditing profession and provide technical assistance and training. The Act also requires OIGs to perform quality control reviews to ensure single audits are properly performed and improper payments and other noncompliance are fully reported.

**Objective:** Determine whether the work performed by the nonfederal auditors complies with OMB Circular A-133 requirements and applicable auditing standards and regulations.  
*Office of Audits*

### **Intelligence Oversight and Quarterly Reporting** (*Mandatory*)

Executive Order 12333 describes the limited, specific cases in which a member of the Intelligence Community may collect, retain, or disseminate information on U.S. persons. Executive Order 13462, requires departments with Intelligence Community members to routinely report on how well they have complied with Executive Order 12333 and whether any violations have occurred. DHS has two Intelligence Community members—the USCG and Office of Intelligence and Analysis—and is therefore responsible for intelligence oversight reporting under Executive Order 13462. The OIG and DHS Office of General Counsel collaboratively prepare quarterly intelligence oversight reports, which are submitted to the Intelligence Oversight Board, a standing committee of the President's Intelligence Advisory Board.

**Objectives:** Validate assertions on a quarterly basis made by the USCG and Office of Intelligence and Analysis concerning their compliance with Executive Order 12333, and report other possible violations that come to our attention. *Office of Inspections*

### **DHS Intelligence Components' Participation in Foreign Intelligence Activities**

We are responsible for conducting intelligence oversight for the entire department. DHS components have intelligence activities that may or may not engage in foreign intelligence activities. The term "foreign intelligence" is defined in the *National Security Act of 1947* as amended as information relating to the capabilities, intentions, or activities of foreign governments or elements thereof, foreign organizations, or foreign persons, or international terrorist activities.

Currently, the accepted definition within DHS includes I&A and the USCG National Intelligence Element as those parts of DHS that are in the Intelligence Community and thus subject to intelligence oversight. However, the definition found in the *National Security Act of 1947* as amended is broader: "The elements of the Department of Homeland Security concerned with the analysis of intelligence information, including the Office of Intelligence of the Coast Guard."

**Objectives:** (1) Identify all DHS elements that engage in foreign intelligence activities, as defined in the *National Security Act of 1947* as amended; (2) Ensure that all DHS foreign intelligence activities are compliant with intelligence community requirements, as identified in Executive Order 12333 and applicable statutes; and (3) Assist any identified DHS foreign intelligence activities that are currently not operating under the requirements of Executive Order 12333 in establishing an intelligence oversight program and establishing intelligence oversight reporting guidelines and procedures. *Office of Inspections*

**Oversight of Contracted IT-Related Testing Performed as Part of DHS' FY 2010 Audited Financial Statements** *(Mandatory)*

We contracted with an IPA firm to conduct DHS' annual financial statement audit. Individual audits of CBP's, FLETC's, and TSA's financial statements will be performed in conjunction with the consolidated statement audit. As a part of this annual audit, the IPA firm's IT auditors perform a review of general and application controls in place over critical financial systems.

**Objective:** Determine the extent to which contract auditors performed sufficient testing to evaluate DHS' general and application controls over critical financial systems and data to reduce the risk of loss due to errors, fraud, or other illegal acts and disasters, and to effectively protect the information infrastructure from security threats or other incidents that cause the systems to be unavailable. *Office of IT Audits*

***Audit and Inspection Offices  
Carryover Projects***

**Management Challenges FY 2009** *(Mandatory)*

**Objective:** Summarize and address the department's major management challenges for FY 2009 as required by the *Reports Consolidation Act of 2000*, Public Law 106-531.  
*Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Secure Border Initiative and SBInet 2009 Program Oversight** **(No report to be issued)**

**Objective:** Provide oversight of CBP's SBInet acquisition practices, management of the risks associated with the accomplishment of program objectives, and compliance with applicable regulations and policies. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Followup on DHS' Progress in Implementing Recommendations Related to Auditability Assessment of DHS' Statement of Budgetary Resources (FY 2009) (No report to be issued)**

*Objective:* Follow up on prior year recommendations to determine whether those recommendations should remain open or can be closed. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Followup on DHS' Progress in Implementing Recommendations Related to the Audits of FEMA, TSA, and USCG's FY 2008 Mission Action Plans (No report to be issued)**

*Objective:* Follow up on prior year recommendations to determine whether those recommendations should remain open or can be closed. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**Followup on DHS' Progress in Implementing Recommendations Related to the Audit of Management's Implementation of OMB Circular A-123 (No report to be issued)**

*Objective:* Follow up on prior year recommendations to determine whether those recommendations should remain open or can be closed. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

**OFFICE OF EMERGENCY MANAGEMENT OVERSIGHT**

**Recurring Disaster Operations and Oversight**

We will deploy experienced staff to FEMA Headquarters, Joint Field Offices (JFOs), National Processing Service Centers, and other FEMA field locations to provide on-the-spot advice, assistance, and oversight to DHS, FEMA, and state and local officials after major natural or manmade events that are, or will likely become, federally declared disaster declarations. Principal oversight activities include the following:

- Attending senior-level meetings at FEMA Headquarters and providing continuous, onsite oversight of JFO operations by attending daily status, all-hands, and senior staff meetings with JFO staff, state and local officials, and with Emergency Support Functions representatives;
- Reviewing mission assignments and supporting documentation, and coordinating and meeting with OIG officials from other federal organizations to devise plans to provide appropriate oversight of mission assignment costs;

- Reviewing JFO-issued contracts and contracting procedures for disaster-related services and determining compliance with federal acquisition policies, procedures, and requirements;
- Identifying, documenting, and reviewing potential FEMA and state disaster management problems and issues in the area of debris removal, emergency protective measures, assistance to individuals and households, temporary housing, longer-term PA repairs and restorations, and hazard mitigation, as well as other support areas such as property management;
- Participating in PA applicant briefings and kickoff meetings with FEMA, state, and local officials; overseeing the development of larger PA projects to ensure work eligibility and reasonableness; performing interim reviews of subgrantees' claims; and following up on specific issues and complaints about subgrantee practices that are not in compliance with program requirements;
- Reviewing major grant recipients' financial management systems and internal control and coordinating with state auditors to develop oversight strategies;
- Responding to congressional requests/inquiries, briefing interested parties on the results of our oversight, and coordinating with our Office of Investigations as to known or suspected fraud, waste, or abuse; and
- Coordinating with state and local government audit and investigative organizations.

In addition, our regional staff will maintain effective relationships with FEMA regional personnel by meeting with executive and senior FEMA regional office personnel to explain our mission, priorities, and capabilities, and attending or participating in meetings, workshops, exercises, and conferences between FEMA and other federal agencies, regional states, and nongovernmental or volunteer organizations.

**Objectives:** We will focus on staying current on all disaster relief operations and activities and evaluating (1) implementation of existing disaster operations and assistance policies and procedures; (2) development of new policies and procedures based on the magnitude of the disaster event; and (3) federal, state, and local internal controls over the disaster relief funding provided for disaster operations and assistance activities.

*Office of Emergency Management Oversight*

### **Emergency Management Oversight Team**

We have developed an Emergency Management Oversight Team to (1) identify and deter fraud, waste, and abuse; (2) prevent and detect systemic problems in the delivery of FEMA's disaster response and recovery programs; (3) ensure accountability over federal funds, material, and equipment provided to states, local governments, nongovernmental organizations, other federal agencies, and individuals; (4) assist FEMA to become as effective and efficient as possible in its delivery of programs; and (5) coordinate and support information needs of federal, state, and local auditors, evaluators, and investigators.

*Office of Emergency Management Oversight*

### **Emergency Management Working Group**

The Emergency Management Working Group (EMWG) was created under the Council of Inspectors General on Integrity and Efficiency to continue the work of the Disaster Recovery Working Group. The Disaster Recovery Working Group was created by the President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency Homeland Security Roundtable in the wake of the Gulf Coast hurricanes of 2005, and became the primary forum for the Inspector General community to conduct ongoing discussions of and planning for disaster oversight. Recognizing that coordination of federal emergency management oversight efforts is essential, the EMWG continues to meet on a regular basis to share and discuss lessons learned from Gulf Coast hurricane oversight efforts and to plan for current and future disasters, with a broader view that includes all disasters.  
*Office of Emergency Management Oversight*

## **OFFICE OF INVESTIGATIONS**

The mission of the Office of Investigations is to strengthen the effectiveness and efficiency of DHS; secure and protect the Nation from dangerous people and dangerous goods; protect the civil rights and liberties of citizens, immigrants, and nonimmigrants in the United States; enforce and enhance departmental priorities and programs; and promote the OIG law enforcement mission.

To protect the Nation from dangerous people and dangerous goods, the Office of Investigations will:

- Open 100% of referrals relating to allegations of corruption or compromise of DHS employees or systems that relate to securing the Nation's borders including the smuggling of drugs, weapons, and people (CBP – ICE).
- Open 100% of referrals relating to allegations of corruption or compromise of DHS employees or systems that relate to securing the Nation's federally regulated transportation systems (TSA).
- Open 100% of referrals relating to allegations of corruption or compromise of DHS employees or systems that relate to the immigration process and documentation (USCIS – CBP).

To protect the civil rights and civil liberties of citizens and DHS employees, the Office of Investigations will:

- Investigate referrals of ICE detainee deaths that involve suspicious causes or circumstances.
- Investigate credible referrals of the physical abuse of detainees, suspects, or prisoners.

- Investigate all on-duty shooting incidents involving DHS employees (excluding accidental discharges without unusual circumstances, such as personal injury).
- Investigate credible allegations of criminal abuse of authority, including those that result in deprivation of rights or large-scale thefts.

To protect the integrity of the department's programs, as well as its assets, information, and infrastructure, the Office of Investigations will:

- Investigate significant grant and contract fraud allegations.
- Investigate gross misuse or abuse of classified information, privacy information, or law enforcement information.
- Continue to actively participate on the Department of Justice Hurricane Katrina Fraud Task Force. The Task Force was established by the United States Attorney General on September 8, 2005, in response to the need to investigate fraudulent activities associated with FEMA disaster relief efforts following hurricanes Katrina and Rita. To support this effort, we have established offices in Mobile, Alabama; Baton Rouge, Louisiana; Biloxi, Mississippi; and Hattiesburg, Mississippi, and have staffed these offices primarily with temporary contractor investigators who are a cadre of on-call response employees.
- Investigate FEMA fraud involving contractors, claimants, or FEMA employees.
- Investigate allegations of corruption or criminal misconduct of DHS employees in the processing of immigrant and nonimmigrant documents (USCIS – CBP).
- Exercise oversight of DHS component element internal affairs investigations.

To strengthen the DHS OIG law enforcement mission and unify DHS operations and management, the Office of Investigations will:

- Continue our reputation for excellence by producing thorough and timely investigations and reports.
- Ensure recruitment, development, and opportunity for a quality and diverse workforce.
- Continue to develop innovative ideas and solutions for progressive development of law enforcement issues and resources.
- Perfect workflow operations through continuing development of hotline and referral process, and administration of a robust training program and innovative training initiatives.
- Enhance relationship and communication with DHS law enforcement component internal affairs offices to advance intelligence gathering and information sharing.
- Participate in the President's Council on Integrity and Efficiency functions; and professional law enforcement organizations and associations.

## OFFICE OF ADMINISTRATION

The mission of the Office of Administration is to provide administrative support services and IT infrastructure and systems to OIG's staff, including auditors, inspectors, and investigators. These services enable audit, inspection, and investigation staff to focus their efforts on improving the efficiency and effectiveness of DHS programs and operations. The Office of Administration is responsible for the following initiatives and programs in FY 2010:

- **Efficiency Task Forces**

The Office of Administration leads the effort in coordinating our office's participation in several of the Secretary's efficiency task forces including: Civil Rights and Civil Liberties, Executive Secretariat, *Freedom of Information Act/Privacy*, Intergovernmental Programs, International Affairs, Legal Issues/General Counsel, Legislative Affairs, Policy and Public Affairs. The ultimate goal of all task forces is to optimize the alignment of responsibilities, resources, and critical coordination and collaboration requirements across components in an effort to streamline operations, and improve performance and consistency.

The Planning and Compliance Division within the Office of Administration participates in the monthly Policy Taskforce meetings. The purpose of these meetings is to assess the current DHS policy engagement process, which includes analyzing how policy issues are developed and articulated within the department, how policy issues are coordinated among DHS components, and how policy disputes and conflicting positions are resolved.

The Planning and Compliance Division also participates in the Executive Secretariat Task Force meetings. This task force examines whether there are any opportunities for increasing coordination or streamlining efforts in regard to duties that Component Executive Secretariats are performing in direct support of the department Secretary's requirements.

- **DHS' Information Sharing Coordinating Council**

As required by the *Intelligence Reform and Terrorism Prevention Act of 2004*, as amended, and the President's October 2007 *National Strategy for Information Sharing*, DHS is working to improve its information sharing environment for terrorism-related information including homeland security and weapons of mass destruction information. As part of this effort, DHS formed an Information Sharing Coordinating Council (ISCC) to set information sharing policies, directives, plans, and recommendations and to provide a department-wide framework for improving information sharing with its federal and nonfederal stakeholders.

In FY 2010, the Office of Administration will continue to participate in ISCC biweekly meetings, monitor ISCC activities, and participate in its initiatives, as appropriate.

- **Audit Quality Control and Assurance Program**

The Office of Administration is responsible for the OIG audit quality control and assurance program. The program includes a system of overlapping internal controls that provide assurance that applicable auditing standards are met for each audit. The program requires that quality control reviews be conducted of issued audit reports. During FY 2010, the Office of Administration will conduct internal quality control reviews in-house using Office of Administration Planning and Compliance Division staff. We will determine the extent to which our internal quality control system provides reasonable assurance that applicable auditing standards are met by conducting at least seven reviews.

- **Audit Policies and Training**

As part of the audit quality control and assurance program, the Office of Administration will continue to provide audit manual training to all new audit staff.

- **Human Resources Initiatives**

During FY 2010, the Office of Administration will recruit the best-qualified talent, provide the necessary training opportunities for OIG's employees to position them for successful careers, and retain the best and brightest employees to carry out our office's mission.

- **Budget Initiatives**

During FY 2010, the Office of Administration will work on the following budget initiatives:

- Prepare travel policies to reflect DHS' travel efficiency guidance as well as Joint Travel Regulations. Provide assistance to the users and update the document as needed.
- Continue the periodic audit of headquarters and field offices to ensure compliance with procedures and regulations on budgetary, procurement, purchase card, travel card, financial, and travel policies. Address weaknesses and establish corrective action plans.
- Meet with DHS budget officials, OMB officials, and congressional officials to explain our FY 2011 budget.
- Prepare our FY 2012 budget.
- Prepare our operating plan for FY 2010; monitor and report expenditures.

- **IT Enterprise Initiatives**

As part of our efforts to improve the efficiency of day-to-day operations within our office, Office of Administration completed two significant technology improvement projects.

- **Enforcement Data Application**

Office of Investigations consists of criminal investigators and support staff that are located throughout the United States, Puerto Rico, and the Virgin Islands. The office generates a sufficient quantity of investigative results to require a computerized system to manage and meet OIG semiannual reporting requirements to Congress and the Council of the Inspectors General on Integrity & Efficiency. The IT division developed a new application, the Enforcement Data Application (EDS), to replace the existing Investigations Case Management System. EDS provides flexibility, ease of use, better quality checks, and good reporting features to the organization. The first phase of EDS was developed in early FY 2009 and the first pilot was deployed in July 2009. Currently, EDS has five modules: Investigations, Inventory/Organizational Property, Hotline, Training, and Resource Allocation Management.

- **Project Tracking System**

The DHS OIG PTS that was developed in FY 2008 is now fully deployed and available to OIG staff. PTS allows staff to electronically monitor and track the status of a project, from the initial planning stages through the draft/final report review process and distribution of the final product and published report. The system uses a web-based commercial-off-the-shelf application, Intranet Quorum, to develop and deliver the electronic workflows that are used to track projects and provide reporting capabilities to end-users of the system. The workflows within PTS are a standard series of prescribed steps (or cycle) that must be completed for most OIG projects. The steps are assigned to a user and/or group and the actions taken are recorded by users in PTS for tracking purposes. Steps are assigned and reassigned, and sub-workflows may be created until all required steps are completed or the project is completed, suspended, or terminated. PTS serves as one centralized place for reporting all the audit efforts in the DHS OIG.

During FY 2010, the Office of Administration will continue to support the overall operations of the DHS OIG with the following planned initiatives:

- Deliver two additional enterprise system modules supporting the annual planning and correspondence control processes within the organization;
- Redesign the OIG Intranet Site; and
- Develop secure mechanisms with other components of DHS to allow sharing some of the pertinent information.

## OFFICE OF CONGRESSIONAL AND MEDIA AFFAIRS

In the 111th Congress, 91 congressional committees and subcommittees asserted jurisdiction of DHS by holding hearings or otherwise exercising formal oversight activity, such as staff briefings.

The Office of Congressional and Media Affairs (CMA) is the primary liaison to members of Congress, their staffs, and the media. CMA regularly provides information to Congress and replies to inquiries from various committees of the House and Senate and to members of Congress who are interested in aspects of DHS.

The mission of CMA is to be the most effective representative of the OIG to Congress and the media. Specifically, the Office responds to inquiries from Congress, the public at large, and the media; notifies Congress about OIG initiatives, policies, and programs; coordinates preparation of testimony and talking points for Congress; and coordinates distribution of reports to Congress. CMA tracks congressional requests that are either submitted by a member of Congress or mandated through legislation. It also provides advice to the Inspector General and supports OIG staff as they address questions and requests from the press and Congress.

CMA monitors and tracks current legislation to anticipate possible changes to policies affecting DHS and that of the Inspector General Community. In many instances, legislation includes reporting requirements for the OIG. During 2010, CMA will focus on appropriation bills and other legislation affecting DHS, OIG, and the OIG community.

Congress regularly requests that the Inspector General or senior staff submit and present testimony to oversight committees about specific activities of interest to Congress. CMA drafts testimony and assists in the preparation for these hearings, which cover a wide range of homeland security issues. The office also responds to all media inquiries that result from the OIG's participation at congressional hearings or OIG reports.

## OFFICE OF COUNSEL TO THE INSPECTOR GENERAL

The mission of the Office of Counsel (OC) is to enhance and support the Inspector General's independence and provide a full range of legal services for the OIG. OC is headed by the Counsel to the Inspector General, and is composed of attorneys, paralegals, *Freedom of Information Act* specialists, legal interns, and administrative personnel. OC attorneys are the only attorneys in the DHS who do not report to the department's General Counsel. Instead, attorneys in OC are hired and report, through the chain of command, only to the Inspector

General. In this manner, the Inspector General can be assured that the legal advice he receives is entirely objective and not influenced by departmental policy preferences.

### **Report Reviews**

OC provides legal advice to the Inspector General and other employees in the OIG. Among other matters, OC interprets laws, rules, and regulations; analyze cases; and researches the legislative history that leads to the passage of a particular Act. Virtually all OIG written products, for example, reports, congressional testimony, correspondence, and many reports of investigation, are reviewed by OC attorneys for legal accuracy.

### **Freedom of Information Act/Privacy Act**

In keeping with the OIG's commitment to transparency, OIG reports, reviews, and testimony are posted on the OIG's public website. All of these documents are first examined by OC to ensure compliance with the *Freedom of Information Act*, the *Privacy Act*, and other legal and policy directives. In addition, OC processes *Freedom of Information Act* and *Privacy Act* requests filed with the OIG, or referred from other DHS components or other agencies, and answers questions from members of the public.

### **Ethics**

OC ensures OIG compliance with federal ethics laws and regulations. OC provides guidance on activities and provides individualized advice to OIG employees in response to questions about specific actions. OC provides new employees with an ethics orientation, departing employees with post-employment counseling, and annual ethics training for current employees. OC also reviews annual financial disclosure reports for OIG employees.

### **Personnel**

OC works closely with the OIG's Human Resources Division and with individual supervisors on personnel issues, providing legal review, advice, and guidance on wide-ranging personnel issues, ranging from the availability of accommodations for a handicapped employee to performance-based matters and disciplinary actions. OC represents the OIG in administrative proceedings before the Merit Systems Protection Board and the Equal Employment Opportunity Commission, and works closely with Department of Justice attorneys on OIG matters that are the subject of federal litigation.

### **Administrative Subpoenas**

The Inspector General is one of the few DHS officials with authority to issue administrative subpoenas. All administrative subpoenas, ordinarily issued through or in support of OIG's Office of Investigations, undergo legal scrutiny prior to issuance.

### **Tort Claims**

OC also handles or coordinates with the Department of Justice on actions against the OIG under the *Federal Torts Claims Act* or against individual employees for actions taken in their official capacity, so-called Bivens actions. OC attorneys work closely with Department of Justice attorneys, and attorneys elsewhere in DHS and throughout the federal government.

### **Training**

OC provides ongoing training throughout the OIG on a wide range of legal issues, including ethics, *Freedom of Information Act* and *Privacy Act*, suspension and debarment, and legislation. OC stays abreast of ongoing legislative and policy initiatives and provides written comments as appropriate.

### **Legislation**

OC also plays an active role in various legislative initiatives affecting the OIG, Inspector General authorities throughout the federal government, and matters on which the OIG plays a significant role, such as procurement fraud and emergency management oversight. OC attorneys serve on task forces, prepare policy papers, and review and comment on proposed legislation, regulations, directives, and other such matters.

### **External Liaison**

OC ensures a close liaison and successful ongoing working relationship with attorneys in the DHS, Department of Justice, the Office of Special Counsel, the Office of Government Ethics, and throughout the federal government, and, on occasion, with attorneys in state and local governments and in private practice.

### **Council of Counsels to Inspectors General**

Attorneys in OC play a leading role in the Council of Counsels to Inspectors General, the umbrella organization for all attorneys in OIGs throughout the federal government. OC attorneys have served on instructional panels regarding access to information, *Freedom of Information Act* and *Privacy Act*, and suspension and debarment. They have also served on working groups to provide responses to legal questions posed by the FLETC, and helped plan training sessions for new OIG lawyers and summer interns. OC intends to continue to play an active role in the Council of Counsels to Inspectors General.

## Chapter 8 – American Recovery and Reinvestment Act of 2009 Projects

### FEDERAL EMERGENCY MANAGEMENT AGENCY

#### *Carryover Projects*

#### **Infrastructure Protection Grants for Transit and Maritime Port Security Funded by the American Recovery and Reinvestment Act of 2009 (title changed from Infrastructure Protection Activities Grant Awards)**

The Recovery Act appropriated \$300 million to FEMA for Transit and Port Security Grants.

FEMA will award Transit Grants totaling \$150 million to transit agencies for Priority 1 and Priority 2 projects. Priority 1 projects include activities such as canine teams, mobile explosives detection screening teams, and antiterrorism teams. Funds may be used only for new capabilities and programs and may not be used to supplant existing agency activities. Priority 2 represents shovel-ready capital projects for antiterrorism security enhancement measures. Recipients certified that these projects will begin within 90 days of the receipt of funds and that the project will be completed 24 months after the release of funds.

FEMA will award Port Security Grants totaling \$150 million to maritime port areas and ferry systems for the protection of critical infrastructure from terrorism. FEMA allocated funding to five categories. FEMA grouped the ports (Group I being the highest priority and other port areas being the lowest) and ferry systems on the basis of risk, as follows:

Categories	No. of Ports	Funding
Group I	7	\$81,400,000
Group II	47	54,020,000
Group III	36	6,660,000
Other port areas		5,920,000
Ferries		2,000,000
Total		150,000,000

Port operators (state, local, and private sector partners) within each group may compete for project funding to (1) enhance maritime domain awareness; (2) enhance improvised explosive device and weapons of mass destruction prevention, protection, response, and recovery capabilities; (3) support implementation of the Transportation Worker Identification Credentials effort; and (4) construct or improve infrastructure improvement projects that are identified in the Port-wide Risk Management Plan, Facility Security Plans, and/or Vessel Security Plans.

**Objective:** Determine whether (1) grantee selection was based on risk and prudent use of Recovery Act funds, (2) funds will be used in reasonable timeframes in accordance with requirements, (3) program performance and monitoring metrics are well designed and properly functioning, and (4) external reporting is accurate and timely. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

## TRANSPORTATION SECURITY ADMINISTRATION

### **Acquisition and Installation at Airports of Baggage Explosives Detection Systems Funded by the American Recovery and Reinvestment of 2009**

TSA plans to use the \$1 billion it has been provided under the *American Recovery and Reinvestment Act of 2009* (Recovery Act) to purchase and install explosives detection systems and equipment at selected airports. Approximately \$700 million will be used for an electronic baggage screening program. Of the \$700 million, approximately \$600 million will be allocated to facility modification projects for the construction of high-speed baggage handling systems and in-line explosive detection systems at 27 airports.

**Objective:** Determine whether (1) airport authority site selections are based on risk and prudent use of Recovery Act funds, (2) acquisition and deployment schedules allow for timely and effective use Recovery Act funds and equipment, (3) airport site preparation schedules will result in the use of funds in reasonable timeframes, (4) program performance and monitoring metrics are well designed and properly functioning, and (5) external reporting is accurate and timely. *Office of Audits*

### ***Transportation and Security Administration Carryover Projects***

### **Acquisition and Installation at Airports of Passenger Explosives Detection Systems Funded by the American Recovery and Reinvestment Act of 2009**

TSA plans to use the \$1 billion it has been provided under the Recovery Act to purchase and install explosives detection systems and equipment at selected airports. TSA allocated \$300 million to the passenger screening program. The program will deploy the following enhanced checkpoint screening equipment: Advanced Technology X-ray, Universal Conveyor Systems, Bottled Liquid Scanners, Whole Body Imager Technology, and Next-Generation Explosive Trace Detectors. In addition, the program will provide funding to TSA's Advanced Surveillance Program, which partners with airport authorities to enhance current/existing closed circuit surveillance systems at passenger checkpoints and checked baggage screening areas.

**Objective:** Determine whether (1) airport authority site selections are based on risk and prudent use of Recovery Act funds, (2) acquisition and deployment schedules allow for timely and effective use Recovery Act funds and equipment, (3) program performance and monitoring metrics are well designed and properly functioning, and (4) external reporting is accurate and timely. *Office of Audits*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

## UNITED STATES CUSTOMS AND BORDER PROTECTION

### *Carryover Projects*

#### **Construction of Land Ports of Entry Funded by the American Recovery and Reinvestment Act of 2009**

The Recovery Act includes \$420 million for the planning, management, design, alteration, and construction of CBP-owned land border ports of entry. CBP plans to use the funding for reconstruction of up to 23 of 43 existing CBP-owned land border ports of entry. Design and construction costs per project average \$15 million. CBP also plans to use approximately \$25 million for repairs and alterations to an additional 10 ports.

**Objective:** Determine whether (1) the selection, construction, and monitoring of ports provide for prudent and timely use of Recovery Act funds and (2) external reporting is accurate and timely. *Office of Audits*

[http://www.dhs.gov/xoig/assets/oig\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oig_app_addendum_fy09.pdf)

#### **CBP's Development and Deployment of Its Secure Border Initiative Technology Program (SBInet) Funded by the American Recovery and Reinvestment Act of 2009**

The Recovery Act appropriated \$100 million to CBP for SBInet for the continued development and deployment of border security technology on the southwest border. SBInet provides surveillance, detection, and identification capabilities for border security. CBP is developing SBInet technology so as to provide: an array of sensors, radar, and cameras to provide real-time information regarding border activity; and a command, control, communication, and intelligence infrastructure to provide real-time situational awareness needed to make tactical decisions in the field and coordinate law enforcement responses.

The Recovery Act will fund:

- \$35 million for development of sensors, radars, and communication systems,
- \$15 million for existing security technology, and

- \$50 million for communication systems, which will fund planning, site surveys, system designs, and equipment and infrastructure installation for communication systems.

**Objective:** Determine whether CBP has effective risk mitigation efforts in place to minimize potential delays in the use of Recovery Act funds. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/OIG\\_APP\\_FY09.pdf](http://www.dhs.gov/xoig/assets/OIG_APP_FY09.pdf)

## MULTIPLE COMPONENTS

### *Carryover Projects*

#### **Process Used by DHS to Monitor Reporting by Recipients of American Recovery and Reinvestment Act of 2009 Funds (Mandatory) (Not previously published)**

Section 1512 of the Recovery Act requires any recipient of Recovery Act funds to submit quarterly reports to the Recovery Accountability and Transparency Board on the total funds received, amount of funds expended or obligated to projects or activities, and a detailed list of projects or activities for which funds were expended or obligated. The detailed list must include an estimate of the number of jobs created and retained by the project or activity. OMB Memorandum M-09-21, Implementing Guidance for the Reports on Use of Funds Pursuant to the *American Recovery and Reinvestment Act of 2009*, requires federal agencies to (1) provide advice/programmatic assistance to recipients and (2) perform limited data quality reviews to identify material omissions and /or significant reporting errors, and to notify recipients of the need to make appropriate and timely changes.

On September 2, 2009, the Recovery Accountability and Transparency Board issued a data quality review guide to Inspectors General and advised the Inspectors General community to issue a report to the Board by October 30, 2009.

**Objective:** Determine whether the DHS has established a process to perform limited data quality reviews to identify material omissions and /or significant reporting errors, and to notify the recipients of the need to make appropriate and timely changes. *Office of Audits*

#### **DHS' Recovery Act Acquisition and Grants Workforce Staffing and Qualifications (Mandatory) (Not previously published)**

The Recovery Act requires that the Recovery Accountability and Transparency Board (Board) conduct a review to determine the adequacy of staffing levels, qualifications, and training of personnel responsible for Recovery Act contracts and grants. At the request of the Board, we will conduct a survey to obtain current and projected DHS workforce staffing and

qualifications data. The Board will combine the results of our survey with those of other agencies and issue a consolidated report.

**Objective:** Report on the number of acquisition and grant personnel overseeing covered funds and the training these personnel receive. *Office of Audits*

**DHS Agency Recovery Plan**

**Objective:** Determine the efficacy of DHS' Agency Recovery Plan for accountability over Recovery Act investments. *Office of Audits*  
[http://www.dhs.gov/xoig/assets/oi\\_app\\_addendum\\_fy09.pdf](http://www.dhs.gov/xoig/assets/oi_app_addendum_fy09.pdf)

# 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>Matt Jadacki</b>	.....	<b>Deputy Inspector General/Emergency Management Oversight</b>
<b>Richard N. Reback</b>	.....	<b>Counsel to the Inspector General</b>
<b>Anne L. Richards</b>	.....	<b>Assistant Inspector General/Audits</b>
<b>Thomas M. Frost</b>	.....	<b>Assistant Inspector General/Investigations</b>
<b>Carlton I. Mann</b>	.....	<b>Assistant Inspector General/Inspections</b>
<b>Frank Deffer</b>	.....	<b>Assistant Inspector General/Information Technology Audits</b>
<b>Charles Edwards</b>	.....	<b>Assistant Inspector General/Administration</b>
<b>Marta Metelko</b>	.....	<b>Director, Congressional and Media Affairs</b>
<b>Denise S. Johnson</b>	.....	<b>Executive Assistant to the Inspector General</b>

## Locations of Audits Field Offices

### **Boston, MA**

Boston, MA 02222  
(617) 565-8700 / Fax: (617) 565-8996

### **Chicago, IL**

Chicago, IL 60603  
(312) 886-6300 / Fax: (312) 886-6308

### **Denver, CO**

Denver, CO 80225  
(303) 236-2878 / Fax: (303) 236-2880

### **Houston, TX**

Houston, TX 77027  
(713) 212-4350 / Fax: (713) 212-4361

### **Miami, FL**

Miramar, FL 33027  
(954) 538-7840 / Fax: (954) 602-1034

### **Philadelphia, PA**

Marlton, NJ 08053  
(856) 596-3810 / Fax: (856) 810-3412

## Location of Information Technology Audits Field Office

### **Seattle, WA**

Kirkland, WA 98033  
(425) 250-1363

## Locations of Emergency Management Oversight Field Offices

### **Atlanta, GA**

Atlanta, GA 30309  
(404) 832-6700 / Fax: (404) 832-6645

### **Biloxi, MS**

Biloxi, MS 39531  
(228) 385-1713 Fax: (228) 385-1714

### **Dallas, TX**

Frisco, TX 75034  
(214) 436-5200 / Fax: (214) 436-5201

### **New Orleans, LA**

New Orleans, LA 70123  
(504) 762-2148 / Fax: (504) 739-3902

### **San Francisco, CA**

Oakland, CA 94612  
(510) 637-4311 / Fax: (510) 637-1484

### **San Juan, PR**

San Juan, PR 00918  
(787) 294-2500 / Fax: (787) 771-3620

## Locations of Office of Investigations Offices

**Atlanta, GA**

Atlanta, GA 30309  
(404) 832-6730 / Fax: (404) 832-6646

**Baton Rouge, LA**

Baton Rouge, LA 70803  
(225) 334-4900 / Fax: (225) 578-4982

**Bellingham, WA**

Bellingham, WA 98226  
(360) 527-4400 Fax: (360) 671-0576

**Biloxi, MS**

Biloxi, MS 39531  
(228) 385-9215 / Fax: (228) 385-9220

**Boston, MA**

Boston, MA 02222  
(617) 565-8705 / Fax: (617) 565-8995

**Buffalo, NY**

Buffalo, NY 14202  
(716) 551-4231 / Fax: (716) 551-4238

**Chicago, IL**

Chicago, IL 60603  
(312) 886-2800 / Fax: (312) 886-2804

**Dallas, TX**

Frisco, TX 75034  
(214) 436-5250 / Fax: (214) 436-5276

**Del Rio, TX**

Del Rio, TX 78840  
(830) 775-7492 x239 / Fax: (830) 703-0265

**Detroit, MI**

Detroit, MI 48126  
(313) 226-2163 / Fax: (313) 226-6405

**El Centro, CA**

Imperial, CA 92251  
(760) 335-3900 / Fax: (760) 335-3726

**El Paso, TX**

El Paso, TX 79925  
(915) 629-1800 / Fax: (915) 594-1330

**Hattiesburg, MS**

Hattiesburg, MS 39402-8881  
(601) 264-8220 / Fax: (601) 264-9088

**Houston, TX**

Houston, TX 77027  
(713) 212-4300 / Fax: (713) 212-4363

**Laredo, TX**

Laredo, TX 78045  
(956) 794-2917 / Fax: (956) 717-0395

**Los Angeles, CA**

El Segundo, CA 90245  
(310) 665-7320 / Fax: (310) 665-7309

**McAllen, TX**

McAllen, TX 78501  
(956) 664-8010 / Fax: (956) 618-8151

**Miami, FL**

Miramar, FL 33027  
(954) 538-7555 / Fax: (954) 602-1033

**Mobile, AL**

Mobile, AL 36609  
(251) 415-3278 / Fax: (251) 219-3517

**New York City, NY**

Jersey City, NJ 07657  
(201) 356-1800 / Fax: (201) 356-4038

**Orlando, FL**

Orlando, FL 32809-7892  
(407) 804-6399 / Fax (407) 8804-8730

**Philadelphia, PA**

Marlton, NJ 08053  
(856) 596-3800 / Fax: (856) 810-3410

**San Diego, CA**

San Diego, CA 92101  
(619) 235-2501 / Fax: (619) 687-3144

**San Francisco, CA**

Oakland, CA 94612  
(510) 637-4311 / Fax: (510) 637-4327

**San Juan, PR**

San Juan, PR 00918  
(787) 294-2500 / Fax: (787) 771-3620

**Seattle, WA**

Kirkland, WA 98033  
(425) 250-1360 / Fax: (425) 576-0898

**Tucson, AZ**

Tucson, AZ 85701  
(520) 229-6420 / Fax: (520) 742-7192

**Washington, DC**

Arlington, VA 22209  
(703) 235-0848 / Fax: (703) 235-0854

**Yuma, AZ**

Yuma, AZ 85365  
(928) 314-9640 / Fax: (928) 314-9679

## Appendix B Acronyms/Abbreviations

<b>AD</b>	Active Directory
<b>ARRA</b>	<i>American Recovery and Reinvestment Act of 2009</i>
<b>ATS</b>	Automated Target System
<b>AUD</b>	Office of Audits
<b>CBP</b>	United States Customs and Border Protection
<b>CFO</b>	Chief Financial Officer
<b>CIO</b>	Chief Information Officer
<b>CMA</b>	Office of Congressional and Media Affairs
<b>DHAP</b>	Disaster Housing Assistance Program
<b>DHS</b>	Department of Homeland Security
<b>DNI</b>	Director National Intelligence
<b>DRO</b>	Office of Detention and Removal
<b>EDS</b>	Enforcement Data Application
<b>EMO</b>	Office of Emergency Management Oversight
<b>EMPG</b>	Emergency Management Performance Grants
<b>EMWG</b>	Emergency Management Working Group
<b>FAST</b>	Free and Secure Trade
<b>FEMA</b>	Federal Emergency Management Agency
<b>FFRDC</b>	Federally Funded Research and Development Centers
<b>FISMA</b>	<i>Federal Information Security Management Act</i>
<b>FLETC</b>	Federal Law Enforcement Training Center
<b>FY</b>	fiscal year
<b>GAO</b>	Government Accountability Office
<b>GSA</b>	General Services Administration
<b>HSSAI</b>	Homeland Security Studies and Analysis Institute
<b>HS-SEDI</b>	Homeland Security Systems Engineering and Development Institute
<b>I&amp;A</b>	Intelligence and Analysis
<b>ICE</b>	Immigration and Customs Enforcement
<b>IMAT</b>	Incident Management Assistance Teams
<b>IPA</b>	independent public accounting
<b>ISCC</b>	Information Sharing Coordinating Council
<b>ISP</b>	Office of Inspections
<b>IT</b>	information technology
<b>IT-A</b>	Office of Information Technology Audits
<b>JFO</b>	Joint Field Office
<b>LAX</b>	Los Angeles International Airport
<b>MAGNET</b>	Maritime Awareness Global Network
<b>NCSD</b>	National Cyber Security Division
<b>NFIP</b>	National Flood Insurance Program
<b>OC</b>	Office of Counsel

## Appendix B Acronyms/Abbreviations (continued)

<b>OIG</b>	Office of Inspector General
<b>OMB</b>	Office of Management and Budget
<b>ONDCP</b>	Office of National Drug Control Policy
<b>PA</b>	public assistance
<b>PSA</b>	protective security advisor
<b>SBI</b>	Secure Border Initiative
<b>S&amp;T</b>	Directorate for Science and Technology
<b>TOPOFF</b>	Top Officials Exercise
<b>TSA</b>	Transportation Security Administration
<b>TSO</b>	Transportation Security Officer
<b>UASI</b>	Urban Areas Security Initiative
<b>US-CERT</b>	United States Computer Emergency Readiness Team
<b>USCG</b>	United States Coast Guard
<b>USCIS</b>	United States Citizenship and Immigration Service
<b>USSS</b>	United States Secret Service
<b>US-VISIT</b>	U.S. Visitor and Immigrant Status Indicator Technology Program

## Appendix C – FY 2009 Performance Goals, Measures, and Accomplishments

Goal 1. Add value to DHS programs and operations.	Results Achieved
1.1 Provide audit and inspection coverage of 75% of DHS’ strategic objectives, the President’s Management Agenda, and major management challenges facing DHS.	89%
1.2 Achieve at least 85% concurrence with recommendations contained in OIG audit and inspection reports.	93%
1.3 Complete draft reports for at least 75% of inspections and audits within 6 months of the project start date, i.e., entrance conference (excludes grant audits).	40%
Goal 2. Ensure integrity of DHS programs and operations.	Results Achieved
2.1 At least 75% of substantiated investigations are accepted for criminal, civil, or administrative action.	82%
2.2 At least 75% of investigations referred resulted in indictments, convictions, civil findings, or administrative actions.	81%
2.3 Provide audit coverage of major DHS’ grant programs.	Yes
2.4 Achieve at least 85% concurrence from DHS management with OIG recommendations on grant audits.	69%
Goal 3. Deliver quality products and services.	Results Achieved
3.1 Establish and implement an internal quality control review program covering all elements of DHS OIG. In particular, conduct peer reviews to ensure that applicable audit, inspection, and investigation standards and policies are being followed.	In Progress
3.2 Ensure that 100% of DHS OIG employees have an annual Individual Development Plan.	99%
3.3 Ensure that 100% of all eligible DHS OIG employees have an Individual Performance Plan and receive an annual Rating of Record.	99%



#### ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this report, please call the Office of Inspector General (OIG) at (202) 254-4100, fax your request to (202) 254-4305, or visit the OIG web site at [www.dhs.gov/oig](http://www.dhs.gov/oig).

#### 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:

- Call our Hotline at 1-800-323-8603;
- Fax the complaint directly to us at (202) 254-4292;
- Email us at [DHSOIGHOTLINE@dhs.gov](mailto:DHSOIGHOTLINE@dhs.gov); or
- Write to us at:  
DHS Office of Inspector General/MAIL STOP 2600,  
Attention: Office of Investigations - Hotline,  
245 Murray Drive, SW, Building 410,  
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.