Testimony of Inspector General Joseph V. Cuffari, Ph.D.

Before the Committee on Homeland Security

U.S. House of Representatives

Chairman Thompson, Ranking Member Katko, and Members of the Committee:

Thank you for the opportunity to testify today about the Department of Homeland Security Office of Inspector General (DHS OIG), our important mission, and my ongoing efforts to make it a model workplace.

I look forward to discussing with you the Government Accountability Office’s (GAO) draft report about our office, GAO’s observations and recommendations, and the ways in which DHS OIG will continue to strive for excellence. Throughout my more than 40 years in public service—in the U.S. Air Force, the Reserves, the Air National Guard, and as a career civil servant—I have worked hard to find process improvements, efficiencies, and better ways of doing business at every station. This includes considering feedback from important oversight agencies such as GAO.

I am also grateful for this committee’s support of our office. I have had the pleasure to meet personally with the Chairman, Ranking Member, and over half of the members of this committee to keep you apprised of our important work. With your support and confidence in our office, we have made significant strides since my confirmation in July 2019.

A great example of our forward progress is the report that we released today on the Department’s deployment of law enforcement officers to Portland, Oregon last summer. In this report, we assessed the authority, preparation, and activities of DHS law enforcement officers deployed to Portland to protect Federal property. We concluded that DHS did not properly exercise its authority to designate and deploy DHS component law enforcement officers to help the Federal Protective Service (FPS) protect Federal facilities. Moreover, DHS was unprepared to effectively execute cross-component activities in Portland. Specifically, not all officers had completed required training, had the necessary equipment, or used consistent uniforms, devices, and operational tactics.

We have maintained our efficiency and momentum despite a myriad of challenges due to COVID-19. We have increased productivity and enhanced quality, adopted a data-driven, risk-based decision-making model, and passed three Council of the Inspectors General on Integrity and Efficiency (CIGIE) peer reviews within a 12-month span. Our recently-released Fiscal Year 2020 Federal Employee Viewpoint Survey scores hit a five-year high. In short, we have left behind a tumultuous 5-year period (2014-2019) in DHS OIG’s brief history, and our organization’s compass is now pointing in the right direction.
OIG – Then and Now

Prior to my confirmation in July 2019 as only the third Senate-confirmed DHS Inspector General, DHS OIG was an office beset with persistent structural, morale, and ethical challenges. As the Committee noted in December 2019 correspondence to me, morale was low, work products were not always produced to the standards required by CIGIE, and I was inundated with internal employee complaints about senior leadership. I was faced with innumerable challenges as the new leader of DHS OIG – most notably repairing the troubling situations that occurred prior to my confirmation:

- A former Acting Inspector General and two information technology managers are alleged to have taken actions that led to their indictment on federal criminal charges for stealing OIG database information.

- Under the supervision of another Acting Inspector General, DHS OIG was forced to rescind over a dozen audit reports in 2017 and 2018 because the reports did not meet required CIGIE standards.

- In June and July 2019, a member of OIG leadership falsely held herself out as the Acting Inspector General for six weeks.

For the past 21 months, I have worked diligently to build my senior leadership team and to identify, understand, and address the issues that have plagued our office. Starting in August 2019, I began speaking with members of this committee, your colleagues, and staff members on a bipartisan basis about these issues. Since my confirmation, I have met with over 70 Members of Congress from our House and Senate oversight committees, as well as numerous members of the Senate Whistleblower Protection Caucus. Over the last several months, I have also had very productive meetings with then President-Elect Biden’s DHS transition team and several one-on-one discussions with Secretary Mayorkas.

Sitting before you today, I am proud to discuss the following accomplishments we have achieved in my short time as Inspector General.

Improved Morale

Our FY 2020 Federal Employee Viewpoint Survey scores hit a five-year high, demonstrating that employee morale is heading in the right direction. Improvements were noted in employee engagement overall, and specifically in the areas of leadership, supervision, intrinsic work experience, and global satisfaction. These results were not by chance. Since my confirmation, I have implemented the following initiatives to improve employee morale:
• **Increased communication** – I send weekly and ad hoc messages to all OIG staff with updates from senior leadership and highlights of noteworthy accomplishments.

• **Small group meetings** – I conducted over 60 small group meetings with OIG staff. These virtual meetings typically involved 10-15 employees at a time, where I updated staff on a range of topics including our budget, laptop refresh, organizational changes, and status of work products. All OIG employees were invited to a small group meeting and were provided the opportunity to send questions in advance or ask them in an open forum.

• **Town Hall meetings** – Since July 2019, I have held two town hall-style meetings, in November 2019 and June 2020, where all OIG employees were invited to attend. I anticipate scheduling another town hall meeting this summer.

• **Increased flexibility** – Understanding the additional stress this unprecedented global pandemic has put on almost everyone, I maximized workplace flexibility options for OIG employees. In March 2020, I implemented a 100% telework policy as well as a work schedule we refer to as “any-80.” This entitles employees to work any 80 hours within a 2-week pay period. I have received positive feedback from many employees who say this flexibility has helped with unforeseen burdens brought on by the pandemic, such as childcare needs, virtual schooling, and aiding older family members.

**Improved Work Products**

A small percentage of our past work products were identified as not meeting OIG community standards. Although that percentage was small, one unacceptable report is still one too many. We took several actions to rectify this issue, including:

• **Bolstered Review Process** - Implementation of rigorous review of all reports to ensure the quality of our work. Even with this enhanced review process, we increased our productivity of audit and inspection reports issued from 64 in FY 2019 to 80 in FY 2020. Our workload projections show that we are on track to meet or exceed FY 2020 productivity in FY 2021.

• **Passing Peer Reviews** - Consistent with CIGIE requirements, our office underwent three peer reviews within the last 12 months (Yellow Book, Blue Book, and Investigations). Our office earned a score of “pass” for all
three reviews, which is an important improvement from the “pass with deficiencies” score DHS OIG received in 2018 for our Yellow Book review.

- **Engagement Planning** – With a Department of nearly 500,000 employees and contractors to oversee, it is imperative that we select projects that will be the most meaningful and impactful. I adopted a data-driven, risk-based decision-making model for the selection of audit and inspection work which helps us prioritize our oversight. Audit and inspection proposal discussions culminate in a bi-weekly strategy meeting with senior leadership where we actively discuss and select the audits and inspections that our office conducts.

- **Strategic Planning** - Recognizing the importance of an aggressive but attainable plan for our future, in August 2020, we contracted with the National Academy of Public Administration (NAPA) to assist us in developing a five-year strategic plan. We awarded this contract because it is the right way to bring about real change. We plan to exercise an option in our contract for NAPA to help us implement various GAO recommendations.

- **Business Systems Modernization** - We have contracted with the Homeland Security Systems and Development Institute contractor, MITRE, to modernize, integrate, and streamline our business information systems and automate redundant and antiquated manual tasks. This will significantly improve the efficiency and quality of our work by leveraging available technology.

**Office Reorganization**

After I was confirmed and arrived at DHS OIG, I discovered that our Human Resource Management Division was positioned within the Office of Counsel, thereby creating conflicts of interest. Therefore, in January 2020 I moved the Division to our Office of Management—where it was originally located and where I believe it can best serve our organization.

Second, I learned our Whistleblower Protection Unit (WPU), which handles sensitive and legally complex investigative cases of whistleblower retaliation, was positioned within the Office of Special Reviews and Evaluations. I returned attorneys from WPU to our Office of Counsel, where it originally resided, so they would receive appropriate supervision and leadership. I also assigned a subject matter expert to oversee the unit and ensure it applies appropriate legal standards. In my ongoing commitment to reduce the WPU’s backlog of retaliation cases, I reassigned four attorneys from another division to supplement the WPU’s work and right-size the unit. I am confident WPU’s backlog will continue to decline.
I continuously review our organizational structure to ensure that our programs and offices are strategically aligned to efficiently achieve our mission. Last week, I announced the creation of two new DHS OIG offices: the Office of Innovation and the Office of Integrity.

The Office of Innovation will plan and lead change across the organization, focusing on our business practices, information systems, and use of data analytics. The Office of Integrity will uphold professional standards through a multidisciplinary approach of inspections and investigations. We are recruiting for two senior executives to lead these offices. As part of this reorganization, we retitled some of our senior executive positions to more closely align with the practices of our fellow OIGs in large agencies, such as the Department of Defense OIG and Health and Human Services OIG. We followed GAO model practices to implement this realignment.

Addressing Senior Leadership Vacancies and Challenges

- **Filling Senior Leadership Vacancies** - Since my confirmation, I have filled the following senior leadership positions: Principal Deputy Inspector General, Chief of Staff, General Counsel, Deputy IG for Investigations, Deputy IG for Inspections and Evaluations, and Assistant IG for Investigations. We are in the process of filling remaining vacancies including for the Deputy IG for Audits, Assistant IG for Inspections and Evaluations, and Deputy Counsel.

- **Addressing Misconduct** - I have made it clear to all OIG staff that I will not tolerate misconduct at any level of our organization. Making good on that commitment, I have been transparent and forthcoming with information on the investigation into the misconduct of former senior officials within our office--information that I have also shared with this Committee.

**GAO’s Draft Report**

In March 2020, eight months after I was confirmed as the Inspector General of DHS OIG, GAO notified us it would be conducting an engagement on “Challenges Facing the Department of Homeland Security (DHS) Office of Inspector General (OIG).”

At the time, understanding the challenges DHS OIG faced prior to my confirmation, I welcomed an independent review of these issues. Throughout this engagement, we have been responsive to GAO’s requests for documents and access to employees for interviews.
Only ten days ago, on Monday, April 12, we received GAO’s draft report. The draft report contains 21 recommendations. We are in the process of fully digesting the draft report, evaluating its recommendations, and drafting our management response which is due to GAO on May 12. With respect to the report’s recommendations, three themes have emerged: strategic planning, report timeliness and procedures, and quality assurance.

Prior to receiving the report, my office implemented changes that address several of the recommendations in these areas. For example, we are leveraging our contract with NAPA to incorporate improvements into our five-year strategic plan which will anchor our work and human resource planning efforts. Some of the previously-discussed strategic changes to our organizational structure are aimed at bolstering quality assurance. We view GAO’s recommendations as a tool to aid our office’s continued progress, and we appreciate GAO’s input and professionalism.

**Ongoing Work**

Today’s discussion would not be complete without including a sample of DHS OIG’s recently completed and ongoing work in areas of interest to the Committee.

**Pandemic Response Oversight**

I serve as one of nine statutory IGs who are members of the Pandemic Response Accountability Committee (PRAC), created by the CARES Act, and we are coordinating closely with the PRAC when necessary. We have also given training to the PRAC and other IGs on some of our innovative investigative and inspection techniques. For example, we developed an analytical dashboard to identify fraudulent Federal Emergency Management Agency’s (FEMA) vendors who were contracted to provide Personal Protective Equipment (PPE) for the national stockpile. The effort resulted in high impact investigations across the country.

To date, the DHS OIG has proactively generated or received a significant number of COVID-19 fraud complaints nationwide. We have more than 60 ongoing criminal investigations and are working with U.S. Attorney’s Offices around the country on several COVID-19 fraud task forces, including the Department of Justice (DOJ) National Stimulus Funds Fraud Working Group, the DOJ National Unemployment Insurance Fraud Task Force, the DOJ Procurement Collusion Strike Force, the DOJ Grant Fraud Working Group, and the National Center for Disaster Fraud.

We recently announced, with the U.S. Attorney’s Office for the Eastern District of Virginia, a nine-count indictment of four defendants charged with:
(1) conspiracy to commit fraud in connection with major disaster benefits; (2) fraud in connection with major disaster benefits; and (3) mail fraud. The defendants are accused of facilitating a scheme to file almost $500,000 in fraudulent unemployment insurance (UI) claims on behalf of prison inmates in Virginia. Our office is co-leading a task force with the Department of Labor OIG to investigate fraudulent UI claims, which have a DHS nexus because funding was provided through FEMA’s Disaster Relief Fund under the CARES Act.

In February 2021, our office, along with the Veterans Affairs (VA) OIG and the U.S. Attorney’s Office for the Eastern District of Virginia, announced the guilty plea of a defendant for making false statements in order to fraudulently obtain more than $38 million in VA and FEMA contracts for PPE that he and his company did not possess and could not supply.

We also have numerous ongoing audits and inspections of DHS’ pandemic response, including:

- ICE’s Efforts to Prevent and Mitigate the Spread of COVID-19 in its Facilities
- DHS Prioritization of Frontline and Mission-Critical Employees for COVID-19 Vaccines
- Audit of USCIS’ Ability to Process and Administer Immigration and Naturalization Benefits Requested During the COVID-19 Pandemic
- Review of DHS’ Priority Telecommunications Services and Capabilities during the COVID-19 Pandemic
- FEMA’s Federal Coordination Efforts in Response to Covid-19
- FEMA’s Federal Medical Supply Chain in Response to COVID-19
- FEMA’s Administration of CARES Act Funding for the Emergency Food and Shelter Program
- FEMA’s Contracting Practices During the COVID-19 Disaster Declaration
- FEMA’s Controls of Mission Assignments in Response to COVID-19
- Physical Storage and Security of COVID-19 Vaccines

ICE Detention Oversight

We have a robust body of oversight work ongoing regarding ICE detention, including:

- Unannounced Inspections of ICE Detention Facilities
- Allegations about Inadequate Medical Care and Other Concerns at the Irwin County Detention Center

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• Evaluation of ICE’s Oversight and the Use of Segregation in ICE Detention Facilities
• Inadequate Prenatal Care and Staffing Deficiencies at ICE IHSC-run Facilities
• Medical Vacancies at ICE Detention Facilities
• Review of Removal of Separated Alien Families
• Audit of ICE’s Government Service Contracts

We recently published the results of our first virtual unannounced inspection, *Violations of Detention Standards Amidst COVID-19 Outbreak at La Palma Correctional Center in Eloy, Arizona*. We were able to adapt to pandemic conditions that -- for the safety of detainees, detention facility employees, and DHS OIG employees -- limited our ability to conduct in-person inspections.

Border Security Oversight

Earlier in my career, I gained extensive experience on the border as a special agent with the DOJ OIG, where I was a member of a team responsible for unannounced inspections of U.S. Border Patrol’s quality of care of unaccompanied children and other migrants, for which I received a PCIE award in 2002. Today, I am personally drawing on that experience as Inspector General.

Members of my senior staff and I traveled to the Southwest border during the first week of April to meet with OIG staff in the field and personally observe conditions. This followed a similar visit that we made to the Southwest border in October 2019. Observations from our recent visit resulted in two new projects, listed below, and will continue to inform our audit and inspection work in this area. Currently, we have the following projects ongoing:

• ICE’s Contract to House Migrants in Hotels
• DHS Border Admissibility Screening Operations During the 2021 Migrant Surge
• Extent of CBP’s Testing or Plans to Test Migrants for COVID-19 at the U.S. Border with Mexico
• Review of a February 16, 2020 Childbirth at the Chula Vista Border Patrol Station
• CBP’s Procedures for Detained Migrants Experiencing Serious Medical Conditions
• DHS DNA Collection
• DHS Management and Oversight of Immigration Hearings in Temporary Courts along the Southwest Border
• ICE’s Enforcement Efforts to Combat Human Trafficking
• CBP Leadership’s Knowledge of and Actions to Address Offensive Content Posted on Facebook by CBP Employees
• CBP’s Free and Secure Trade (FAST) Program
• CBP’s Searches of Electronic Devices at Ports of Entry
• CBP Management of Aviation Fleet
• CBP’s Management of Radiation Portal Monitors

We recently published two reports likely to interest the Committee: DHS’ Fragmented Approach to Immigration Enforcement and Poor Planning Resulted in Extended Migrant Detention during the 2019 Surge and CBP Has Improved Southwest Border Technology, but Significant Challenges Remain. We look forward to sharing the results of our ongoing work with you when it is complete.

Events of January 6, 2021

We initiated two reviews to examine the role and activity of DHS and its components in preparing for and responding to the events at the U.S. Capitol on January 6, 2021. We are evaluating DHS’ responsibility for providing intelligence to law enforcement and the role of DHS law enforcement components in responding to the attack. We also recently initiated a review of DHS’ role in preventing and protecting the Nation from domestic terrorism and violent extremism.

Conclusion

The issues within DHS OIG that GAO identified in its draft report did not manifest overnight. They happened over the course of many years. Therefore, it would be presumptuous to suggest that I can fix all of these issues overnight. I am wholly committed to the staff of DHS OIG, this Committee, Congress, and the American people that I will spare no effort to build a stronger and better DHS OIG. I believe our improved morale, superior work products, and revitalized leadership over the past 21 months demonstrate that DHS OIG is now headed in the right direction. I have every confidence in our future success.

Thank you for the opportunity to discuss the important work of the OIG and our plans to work with the GAO to improve our operations. This concludes my testimony, and I look forward to answering any questions you may have.
Appendix A – December 6, 2019 Letter from the Senate Homeland Security and Governmental Affairs Committee and the House Committee on Homeland Security

December 6, 2019

Joseph Cuffari
Inspector General
Department of Homeland Security
Office of the Inspector General
245 Murray Lane S.W.
Washington, D.C. 20528-0305

Dear Inspector General Cuffari:

As the Chairmen and Ranking Members of the undersigned committees, we want to congratulate you on your unanimous Senate confirmation in July. You have our collective commitment to ensuring that you have the resources and authorities you need to provide independent oversight and promote integrity and accountability within the Department of Homeland Security (DHS). We write today to express serious concern about the cumulative effect of longstanding management and operational challenges within the Office of the Inspector General (OIG) that threaten to undermine that critical mission.

DHS’s OIG is responsible for the oversight of an agency with a budget of more than $70 billion divided across dozens of components tasked with securing the homeland, including border security, cybersecurity, terrorism prevention, and emergency response preparedness. Allegations have come to our attention that the office has been plagued by ongoing bureaucratic infighting and competing allegations of misconduct that threaten OIG’s ability to conduct effective oversight.

We have been concerned for some time about DHS OIG’s ability to perform its statutory mission.1 In April 2014, a bipartisan congressional investigation found allegations of misconduct by the then-Acting Inspector General that “contributed to an office environment characterized by low morale, fear, and general dissatisfaction with [their] leadership.”2 In September

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1 Pub. L. 113-126.
2014, the Government Accountability Office issued a report recommending changes to address organizational, management, and independence issues within the OIG.³

Unfortunately, problems have apparently persisted and in some cases worsened. Over the past year, we have received numerous complaints from whistleblowers of alleged misconduct within DHS OIG that leave us concerned about the office’s ability to conduct timely, independent, and fact-based audits and inspections of DHS.

Three issues stand out. First, it has come to our attention that DHS OIG employees have filed numerous complaints of misconduct against each other over the past few years, which appear to have had significant implications for the office’s operations. Relatedly, it is our understanding that prior to your confirmation, DHS OIG inexplicably moved the human resources operations out of the office of management to the general counsel’s office. Although this may be an accepted practice at small organizations, it is difficult to imagine a general counsel fulfilling both positions effectively and without a conflict of interest.

Second, we understand that, between your nomination (November 18, 2018) and confirmation (July 25, 2019), DHS OIG filled a number of senior management staff and other vacant positions. We are concerned that filling numerous senior management positions while your nomination was under active consideration by the Senate deprived you of the opportunity to install lasting and coherent leadership. Additionally, we are concerned that this rash of hiring may have contributed to the OIG’s multi-million dollar budget shortfall.⁴

Third, employee morale within DHS OIG remains low. In the 2018 Federal Employee Viewpoint Survey (FEVS), DHS OIG ranked 303 of 415 component agencies that operate as part of larger agencies.⁵ Unfortunately, this represents a decline of 4.7 points from 2017, and is consistent with its positioning near the bottom of the list for the past several years.⁶

Congress and the American people depend on DHS OIG to be our eyes and ears on the ground and to serve as a reliable outlet for whistleblowers at DHS. To ensure that DHS OIG can operate efficiently to carry out its mission, including preventing and detect waste, fraud, and abuse,⁷ please respond to the following no later than December 20, 2019:

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⁶ Id.
⁷ Pub. L. No. 113-126.
1. For each of the last five years, please provide:
   a. The total number of staff employed by the DHS OIG at the beginning of each fiscal year.
   b. All organizational charts and other materials that document the structure of DHS OIG and, if available, a breakdown of staffing totals for each office and division.
   c. All final budgets and budget requests prepared by DHS OIG.

2. For the last year, please provide a list of all DHS OIG staff members who were hired or reassigned, including for each the date of hire or reassignment and the GS/SES level and series;

3. For each of the last five years, please provide all raw FEVS data provided to DHS OIG by the Office of Personnel Management. Please provide the data in the most disaggregated format available.

4. For each of the last five years, please provide a breakdown by division (audits, inspections, and investigations) of the number of products issued.

5. Please provide a breakdown by division (audits, inspections, and investigations) of the number of products you expect to have completed in 2019.

6. Please provide a copy of all internal employee complaints provided to DHS OIG since January 2017.
   a. Please provide the status of each of the complaints and the estimated date of resolution.

Thank you for your attention to this important matter. If you have any questions about this request, please contact Michelle Woods of Chairman Johnson’s staff (202-224-4751) and Alexa Noruk of Ranking Member Peters’ staff (202-224-2627) for the U.S. Senate Committee on Homeland Security and Governmental Affairs, and Alison Northrop of Chairman Thompson’s staff (202-226-2616) and Forrest McConnell for Ranking Member Rogers’ staff (202-226-8417) for the U.S. House Committee on Homeland Security.
Sincerely,

Ron Johnson
Chairman
Committee on Homeland Security and
Governmental Affairs
U.S. Senate

Gary C. Peters
Ranking Member
Committee on Homeland Security
and Governmental Affairs
U.S. Senate

Bennie G. Thompson
Chairman
Committee on Homeland Security
U.S. House of Representatives

Mike Rogers
Ranking Member
Committee on Homeland Security
U.S. House of Representatives