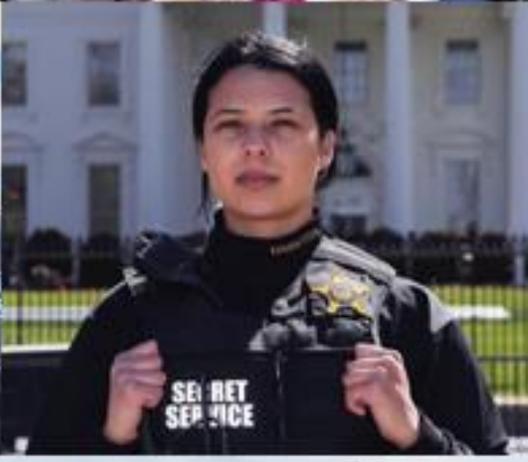


# FY 2018-2020 Annual Performance Report

## Appendix B: Relevant GAO and OIG Reports

*With honor and integrity, we will safeguard the American people, our homeland, and our values.*



# About this Report

The U.S. Department of Homeland Security Annual Performance Report for Fiscal Years (FY) 2018-2020 presents the Department's performance measures and applicable results, provides the planned performance targets for FY 2019 and FY 2020, and includes information on the Department's Strategic Review and our Agency Priority Goals. Additionally, this report presents information on other key management initiatives, and a summary of our performance challenges and high-risk areas identified by the DHS Office of the Inspector General and the Government Accountability Office. The report is consolidated to incorporate our annual performance plan and annual performance report.

For FY 2018, the Department's Performance and Accountability Reports consist of the following three reports:

- DHS Agency Financial Report | Publication date: November 15, 2018
- DHS Annual Performance Report | Publication date: March 18, 2019
- DHS Report to our Citizens (Summary of Performance and Financial Information) | Publication date: March 22, 2019

When published, all three reports will be located on our public website at:  
<http://www.dhs.gov/performance-accountability>.

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## Introduction

Independent program evaluations provide vital input to the Department of Homeland Security (DHS) as they offer insight to the performance of our programs and identify areas for improvement. These evaluations are used across the Department to look critically at how we conduct operations and to confront some of the key challenges facing the Department.

This appendix provides, in tabular format, a list of the more significant DHS program evaluations conducted in FY 2018 by the U.S. Government Accountability Office (GAO) and the DHS Office of Inspector General (OIG). For each report, the report name, report number, date issued, extracted summary, and a link to the publicly released report are provided.

Detailed information on the findings and recommendations of all GAO reports is available at: [http://www.gao.gov/browse/a-z/Department\\_of\\_Homeland\\_Security\\_Executive](http://www.gao.gov/browse/a-z/Department_of_Homeland_Security_Executive).

Detailed information on the findings and recommendations of FY 2017 DHS OIG reports is available at:

<https://www.oig.dhs.gov/reports/audits-inspections-and-evaluations>

## Countering Weapons of Mass Destruction (CWMD) Office

### GAO Reports

#### **Chemical Terrorism: A Strategy and Implementation Plan Would Help DHS Better Manage Fragmented Chemical Defense Programs and Activities**

**Number:** [GAO-18-562](#)

**Date:** Aug 22, 2018

**Summary:** GAO was asked to examine DHS's chemical defense programs and activities. DHS's chemical defense responsibilities include, among others, managing and coordinating federal efforts to prevent and protect against domestic chemical attacks. GAO found and DHS officials acknowledged that DHS has not fully integrated and coordinated its chemical defense programs and activities. Several components—including CBP, U.S. Coast Guard, the Office of Health Affairs, and S&T—have conducted similar activities, such as acquiring chemical detectors or assisting local jurisdictions with preparedness, separately, without DHS-wide direction and coordination. As components carry out chemical defense activities to meet mission needs, there is a risk that DHS may miss an opportunity to leverage resources and share information that could lead to greater effectiveness addressing chemical threats. It is too early to tell the extent to which the new CWMD Office will enhance the integration of DHS's chemical defense programs and activities. Given the breadth of DHS's chemical defense responsibilities, a strategy and implementation plan would help the CWMD Office (1) mitigate the risk of fragmentation among DHS programs and activities, and (2) establish goals and identify resources to achieve these goals, consistent with the Government Performance and Results Modernization Act of 2010. This would also be consistent with a 2012 DHS effort, since abandoned, to develop a strategy and implementation plan for all chemical defense activities, from prevention to recovery. DHS officials stated the 2012 effort was not completed because of leadership changes and competing priorities.

#### **Homeland Security: DHS's Chemical, Biological, Radiological, and Nuclear Program Consolidation Efforts**

**Number:** [GAO-18-284T](#)

**Date:** Dec 7, 2017

**Summary:** GAO's prior work has shown that the Department of Homeland Security (DHS) should complete, document, and make available analyses of key questions related to its chemical, biological, radiological, nuclear, and explosives (CBRNE) consolidation proposal.

In August 2016, GAO reported that several key factors were not included when DHS evaluated its organizational consolidation of CBRNE functions. For example, DHS did not fully assess and document potential problems that could result from consolidation or include a comparison of benefits and costs. Further, DHS conducted limited external stakeholder outreach, thus the proposal may not sufficiently account for stakeholder concerns. Attention to these key areas, identified from GAO's analysis of previous organizational consolidations, would help provide DHS, Congress, and other stakeholders, such as DHS components with assurance that important aspects of effective organizational changes are addressed as part of the agency's CBRNE reorganization decision-

making process. GAO previously recommended that DHS complete, document, and make available analyses of key questions related to its consolidation proposal, including: (1) what problems, if any, consolidation may create; (2) a comparison of the benefits and costs the consolidation may entail; and (3) a broader range of external stakeholder input including a discussion of how it was obtained and considered

DHS did not concur, asserting that the recommendation did not acknowledge the extent to which these questions were discussed both internally within DHS and externally with Congress and that DHS's decision to consolidate CBRNE functions had already been made which would make additional analysis redundant. GAO closed this recommendation as not implemented. While GAO has not fully assessed DHS's most recent reorganization plans, GAO continues to believe that documenting information and analyses used to assess the benefits and limitations of its consolidation plan would assist DHS in fully demonstrating how its proposal will lead to an integrated, high-performance organization.

### **Biodefense: Federal Efforts to Develop Biological Threat Awareness**

**Number:** [GAO-18-155](#)

**Date:** Oct 11, 2017

**Summary:** GAO was asked to review how key federal agencies develop and share threat awareness information, and how that information informs further investments in biodefense. This report describes: (1) the types of actions that key federal agencies have taken to develop biological threat awareness, and how that information is used to support investment decisions; (2) the extent to which these agencies have developed shared threat awareness; and (3) how DHS's NBACC determines what additional threat characterization knowledge to pursue.

GAO analyzed federal policies, directives, and strategies related to biodefense, as well as agency documents such as threat assessments and modeling studies. We identified five key biodefense agencies based on review of the roles designated in these documents. GAO interviewed officials from these agencies about threat awareness activities and reviewed prior GAO work and related biodefense studies. Each of the key agencies reviewed a draft of this report and provided technical comments that GAO incorporated as appropriate.

## **Customs and Border Protection (CBP)**

### **GAO Reports**

#### ***Southwest Border Security: CBP Is Evaluating Designs and Locations for Border Barriers but Is Proceeding Without Key Information***

**Number:** [GAO-18-614](#)

**Date:** 8/6/2018

**Summary:** U.S. Customs and Border Protection (CBP) and U.S. Border Patrol developed a methodology for prioritizing future barrier deployments along the entire southwest border, which included input from Border Patrol officials, data on illegal entry traffic, and analysis of operational and engineering feasibility for each potential location. However, GAO found that the strategy did

not include analysis of the costs associated with deploying barriers in each location or segment, which can vary depending on topography, land ownership, and other factors. Without assessing costs, consistent with leading practices for capital decision making, CBP does not have complete information for prioritizing locations to use its resources in the most cost-effective manner.

GAO recommended that DHS analyze the costs associated with future barrier segments and include that analysis in future planning, and document plans for the planned secondary barrier replacement in the San Diego sector. DHS concurred with GAO's recommendations.

### ***Unaccompanied Children: DHS and HHS Have Taken Steps to Improve Transfers and Monitoring of Care, but Actions Still Needed***

**Number:** [GAO-18-506T](#)

**Date:** 4/26/2018

**Summary:** The Department of Homeland Security (DHS) and Department of Health and Human Services (HHS) have agreed to establish a joint collaborative process for the referral and placement of unaccompanied children, but the process has not yet been implemented. In 2015, GAO reported that the interagency process for referring unaccompanied children from DHS to HHS's Office of Refugee Resettlement (ORR) shelters was inefficient and vulnerable to error, and that each agency's role and responsibilities were unclear. GAO recommended that DHS and HHS jointly develop and implement an interagency process with clearly defined roles and responsibilities, as well as procedures to disseminate placement decisions, for all agencies involved. In February 2018, HHS officials told GAO that the agency was reviewing a draft of the DHS-HHS joint concept of operations. This reports to updated information on the progress both agencies have made in implementing GAO's recommendations, and more recent statistics from publicly available sources.

### ***Border Security: Progress and Challenges with the Use of Technology, Tactical Infrastructure, and Personnel to Secure the Southwest Border***

**Number:** [GAO-18-397T](#)

**Date:** 3/15/2018

**Summary:** The U.S. Border Patrol, within the Department of Homeland Security's (DHS) U.S. Customs and Border Protection (CBP), has employed a variety of technology, tactical infrastructure, and personnel assets to help secure the nearly 2,000-mile-long southwest border. Since 2009, GAO has issued over 35 products on the progress and challenges DHS has faced in using technology, infrastructure, and other resources to secure the border. GAO has made over 50 recommendations to help improve DHS's efforts, and DHS has implemented more than half of them. This report discusses some of the progress made in deploying surveillance technology—a mix of radars, sensors, and cameras—along the southwest U.S. border and progress in assessing performance of surveillance technologies, but GAO found that additional actions are still needed to fully implement GAO's 2011 and 2014 recommendations in this area.

## DHS OIG Reports

### ***Special Review - Initial Observations Regarding Family Separation Issues Under the Zero Tolerance Policy***

**Number:** [OIG-18-84](#)

**Date:** 9/27/2018

**Summary:** DHS OIG found that Department of Homeland Security (DHS) was not fully prepared to implement the Administration's Zero Tolerance Policy or to deal with some of its after-effects. During Zero Tolerance, U.S. Customs and Border Protection held alien children separated from their parents for extended periods in facilities intended solely for short-term detention. DHS also struggled to identify, track, and reunify families separated under Zero Tolerance due to limitations with its information technology systems, including a lack of integration between systems. DHS also provided inconsistent information to aliens who arrived with children during Zero Tolerance, which resulted in some parents not understanding that they would be separated from their children, and being unable to communicate with their children after separation.

### ***CBP's International Mail Inspection Processes Need Improvement at JFK International Airport***

**Number:** [OIG-18-83](#)

**Date:** 9/24/2018

**Summary:** U.S.

Customs and Border Protection (CBP) is responsible for inspecting all international mail arriving at U.S. airports, with limited exceptions. A major challenge for CBP is preventing imports of opioids and other illegal items mailed from overseas through the U.S. Postal Service. DHS OIG conducted this audit to determine whether CBP's air mail inspection processes at JFK airport are effective and have adequate information technology (IT) security controls. DHS OIG recommend that CBP provide the resources, guidance, space, controls, oversight, and IT security needed to prevent imports of illegal drugs and goods.

### ***Progress Made, but CBP Faces Challenges Implementing a Biometric Capability to Track Air Passengers Departures Nationwide***

**Number:** [OIG-18-80](#)

**Date:** 9/19/2018

**Summary:** U.S. Customs and Border Protection (CBP) has primary responsibility for implementing a capability to track air passenger departures and, using the data obtained, to identify potential visitor overstays. DHS OIG found that though CBP has made considerable progress in developing and implementing a biometric capability to track air passenger exits using facial recognition technology. However, the pilots conducted through the Biometric Entry-Exit Program encountered various technical and operational challenges that limited biometric confirmation to only 85 percent of all passengers processed, which poses questions as to whether CBP will meet its milestone to confirm all foreign departures at the top 20 U.S. airports by fiscal year 2021. DHS OIG also found poor network availability, a lack of dedicated staff, compressed boarding times due to flight delays, uncertainty of airline commitment and long-term funding. Also due to a lack of DHS guidance, the role other DHS components will play in implementing the entry-exit capability at airports also remains in question.

DHS OIG made five recommendations to address technical and operational challenges, as well as ensure stakeholder support for CBP's biometric program.

### ***CBP Has Not Ensured Safeguards for Data Collected Using Unmanned Aircraft Systems***

**Number:** [OIG-18-79](#)

**Date:** 9/19/2018

**Summary:** U.S. Customs and Border Protection (CBP) uses Unmanned Aircraft Systems (UAS), a surveillance program, to support its law enforcement mission. DHS OIG found CBP has not ensured effective safeguards for information, such as images and video, collected on and transmitted from its UAS and CBP did not perform a privacy threshold analysis for the Intelligence, Surveillance, and Reconnaissance (ISR) Systems used in the UAS program to collect data. Also, DHS OIG found CBP did not implement the information security controls needed to safeguard ISR Systems and did not implement adequate controls to limit physical access to the ground control station housing ISR Systems data. As a result, ISR Systems and mission operations were at increased risk of compromise by trusted insiders and external sources. DHS OIG made ten recommendations — one to the CBP Privacy Officer and nine to the Chief Information Officer — to promote more effective management of the UAS program and improved security of data collected.

### ***Most Complaints about CBP's Polygraph Program Are Ambiguous or Unfounded***

**Number:** [OIG-18-68](#)

**Date:** 7/26/2018

**Summary:** In 2010, Congress required U.S. Customs and Border Protection (CBP) law enforcement applicants to receive a polygraph examination. DHS OIG found that although CBP had controls over its polygraph examination process, a key control over its review and approval process was not always operating as intended. Specifically, in a small number of cases, the polygraph quality control program may not have always conducted independent and objective reviews (blind reviews) of polygraph examination results, as required. Though CBP addressed DHS OIG's concerns and updated its quality control procedures. These updated procedures require independent and objective quality control reviews. DHS OIG also determined that 96 percent of the complaints were unfounded or ambiguous. However, CBP did not have a formal complaint review process, which led to inconsistent and subjective reviews. This approach risks not finding or properly addressing issues contained in the complaints. DHS OIG made two recommendations to CBP to improve its quality control and complaint review processes.

### ***Review of U.S. Customs and Border Protection's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds***

**Number:** [OIG-18-48](#)

**Date:** 1/30/2018

**Summary:** The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY). DHS OIG is required to conduct a review of the agency's submission and

provide a conclusion about the reliability of each assertion in the report. DHS OIG's issued an Independent Accountants' Report on U.S. Customs and Border Protection's (CBP) FY 2017 Detailed Accounting Submission (DAS) and found that CBP's management was unable to provide supporting documentation for the drug control methodology used for estimating the percentages of obligations allocated between interdiction and intelligence. DHS OIG was not able to complete review procedures related to assessing the reasonableness and accuracy of the methodologies used

### ***Review of U.S. Customs and Border Protection's Fiscal Year 2017 Drug Control Performance Summary Report***

**Number:** [OIG-18-47](#)

**Date:** 1/30/2018

**Summary:** The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY). DHS OIG is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report. DHS OIG's issued an Independent Accountants' Report on U.S. Customs and Border Protection's (CBP) FY 2017 Drug Control Performance Summary Report and found that it was in compliance with the criteria in the ONDCP Circular. No recommendations were made.

### ***DHS Implementation of Executive Order #13769 "Protecting the Nation From Foreign Terrorist Entry Into the United States" (January 27, 2017) (Redacted)***

**Number:** [OIG-18-37](#)

**Date:** 1/18/2018

**Summary:** DHS OIG found that U.S. Customs and Border Protection (CBP) had little opportunity to prepare and respond to basic questions about which categories of travelers were affected by Executive Order #13769 (EO) "*Protecting the Nation from Foreign Terrorist Entry into the United States*" (January 27, 2017). DHS OIG found that the bulk of travelers affected by the EO who arrived in the United States, received national interest waivers. In addition, DHS OIG observed that the lack of a public or congressional relations strategy significantly hampered CBP and harmed its public image. While the media reported instances of misconduct, DHS OIG did not substantiate any claims of misconduct on the part of CBP Officers at the ports of entry. DHS OIG also found that CBP largely complied with court orders but while CBP complied with court orders at U.S. ports of entry as to travelers who had already arrived, CBP was aggressive in preventing affected travelers from boarding aircraft bound for the United States. We believe those actions violated two separate court orders that enjoined CBP from this activity. No recommendations were made in this report.

### ***Review of CBP Information Technology System Outage of January 2, 2017***

**Number:** [OIG-18-16](#)

**Date:** 11/21/2017

**Summary:** On January 2, 2017, a 4-hour system outage disrupted Custom and Border Protection's (CBP) processing of incoming international travelers at airports nationwide. DHS OIG found that CBP took sufficient steps to resolve the January 2, 2017, outage on the same day it occurred and airports were able to get back online within 4 hours of the outage. Though, CBP was able to resolve the January 2 system outage, DHS OIG found the underlying issues that might result in future outages persisted in the

CBP environment. Specifically, DHS OIG identified: inadequate CBP software capacity testing, leaving the potential for recurrence of processing errors; deficient software maintenance, resulting in high vulnerabilities that remain open; ineffective system status monitoring to ensure timely alerts in case of business disruptions; and inadequate business continuity and disaster recovery capabilities to minimize the impact of system failures on the traveling public. DHS OIG recommended that CBP implement improvements to its software testing, vulnerability patching, and disaster recovery capabilities

### ***Results of Unannounced Inspections into Conditions for Unaccompanied Alien Children in CBP Custody***

**Number:** [OIG-18-87](#)

**Date:** 9/28/2018

**Summary:** DHS OIG found that U.S. Customs and Border Protection (CBP) facilities that DHS OIG visited appeared to be operating in compliance with the 2015 National Standards on Transport, Escort, Detention, and Search. With the exception of inconsistent cleanliness of the hold rooms, DHS OIG observed that unaccompanied alien children had access to toilets and sinks, drinking water, beverages (including milk and juice drinks), as well as snacks and food. Unaccompanied alien children had access to hygiene items and clean bedding at all facilities that DHS OIG visited. DHS OIG observed that CBP Office of Field Operations ports of entry had offices and storage spaces redesigned into hold rooms to be able to hold more unaccompanied alien children, family units, and other border crossers referred for processing. No recommendations were made in this report.

### ***Assaults on CBP and ICE Law Enforcement Officers***

**Number:** [OIG-18-76](#)

**Date:** 9/7/2018

**Summary:** DHS OIG determined that, from fiscal years 2010 to 2017, the number of assaults against CBP law enforcement officers decreased from 1,089 to 856. During the same time period, assaults of ICE law enforcement officers remained the same at 48. However, the data does not show a clear trend over that time period and the number of assaults varied widely from year to year. DHS OIG analysis also shows that, for a number of reasons, the data is unreliable and does not accurately reflect whether assaults have increased or decreased, and officers do not always report acts of physical resistance or attempted assaults, even when required to do so. In addition, the definition of assault differs for CBP and ICE and there were issues with the training of law enforcement officers. DHS OIG made three recommendations to CBP and five recommendations to ICE to improve assault reporting, increase training frequency, and clarify assault definitions.

## Departmental Management and Operations (DMO)

### GAO Reports

#### ***Additional Guidance Could Help Increase Benefits and Reduce Fees***

**Number:** [GAO-18-446](#)

**Date:** July 18, 2018

**Summary:** In reverse auctions, sellers compete to obtain business from the buyer, and process typically decrease during the auction period, as sellers underbid each other. Over the past 20 years, the Government has employed private-sector auction services to conduct procurements, with about \$1.9 billion of contracts awarded in 2013. GAO finds that reverse-auction data indicate that the largest Government users of reverse auctions—including DHS—may have saved more than \$100 million through their reverse-auction transactions in 2016. However, GAO finds that award volume has declined since its 2013 peak, and that more than nine-tenths of agency contracting officials interviewed did not fully understand how the providers of reverse-auction services set their fees.

## Cybersecurity and Infrastructure Security Agency (CISA)<sup>1</sup>

### GAO Reports

#### ***High Risk Series: Urgent Actions Are Needed to Address Cybersecurity Challenges Facing the Nation***

**Number:** [GAO-18-622](#)

**Date:** September 6, 2018

**Summary:** Federal agencies and the nation's critical infrastructures—such as energy, transportation systems, communications, and financial services—are dependent on information technology systems to carry out operations. The risks to these systems are increasing as security threats evolve and become more sophisticated. GAO has identified four major cybersecurity challenges and 10 critical actions that the federal government and other entities need to take to address them. GAO continues to designate information security as a government-wide high-risk area due to increasing cyber-based threats and the persistent nature of security vulnerabilities. GAO has made over 3,000 recommendations to agencies aimed at addressing cybersecurity shortcomings in each of these action areas, including protecting cyber critical infrastructure, managing the cybersecurity workforce, and responding to cybersecurity incidents. Until these shortcomings are addressed, federal agencies' information and systems will be increasingly susceptible to the multitude of cyber-related threats that exist.

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<sup>1</sup> The National Protection and Programs Directorate was renamed to Cybersecurity and Infrastructure Security Agency as a result of the enactment of the Cybersecurity and Infrastructure Security Agency Act of 2018.

***Critical Infrastructure Protection: DHS Should Take Actions to Measure Reduction in Chemical Facility Vulnerability and Share Information with First Responders*****Number:** [GAO-18-538](#)**Date:** August 8, 2018

**Summary:** Facilities that produce, use, or store hazardous chemicals could be targeted or used by terrorists to inflict mass casualties, damage, and fear. DHS established the Chemical Facility Anti-Terrorism Standards (CFATS) program to assess the risks posed by these facilities and inspect them to ensure compliance with DHS standards. GAO found that DHS' performance measure methodology does not measure reduction in vulnerability at a facility resulting from the implementation and verification of planned security measures during the compliance inspection process. Doing so would provide DHS an opportunity to begin assessing how vulnerability is reduced—and by extension, risk lowered—not only for individual high-risk facilities but for the CFATS program as a whole. GAO recommends that DHS take actions to (1) measure reduction in vulnerability of high-risk facilities and use that data to assess program performance; and (2) encourage access to and wider use of the IP Gateway among first responders and emergency planners. DHS concurred with both recommendations and efforts are underway or planned.

***Critical Infrastructure Protection: Progress and Challenges in DHS' Management of Its Chemical Facility Security Program*****Number:** [GAO-18-613T](#)**Date:** June 14, 2018

**Summary:** Thousands of facilities have hazardous chemicals that could be targeted or used to inflict mass casualties or harm surrounding populations in the United States. In accordance with the DHS Appropriations Act, 2007, DHS established the Chemical Facility Anti-Terrorism Standards (CFATS) program in 2007 to, among other things, identify and assess the security risk posed by chemical facilities. GAO has made various recommendations to strengthen DHS' management of the CFATS program such as better verifying the accuracy of facility-reported data; enhance its risk assessment approach to incorporate all of the elements of consequence, threat, and vulnerability associated with a terrorist attack involving certain chemicals; expeditiously review and approve security plans for the approximately 900 remaining facilities; and document procedures for managing compliance. DHS has implemented or described planned actions to address most of these recommendations by revising its methodology so it now calculates the risk of toxic release; launching a new risk assessment methodology; taking additional actions to expedite reviewing and approving facilities site security plans and eliminating the backlog; and developing an enforcement procedure and a draft compliance inspection procedure.

***Cybersecurity: DHS Needs to Enhance Efforts to Improve and Promote the Security of Federal and Private-Sector Networks*****Number:** [GAO-18-520T](#)**Date:** April 24, 2018

**Summary:** The emergence of increasingly sophisticated threats and continuous reporting of cyber incidents underscores the continuing and urgent need for effective information security. DHS plays

a key role in strengthening the cybersecurity posture of the federal government and promoting cybersecurity of systems supporting the nation's critical infrastructures. Although, DHS has made important progress in implementing programs and activities that are intended to mitigate cybersecurity risks on the computer systems and networks supporting federal operations and our nation's critical infrastructure, the department has not taken sufficient actions to ensure that it successfully mitigates cybersecurity risks on federal and private-sector computer systems and networks. GAO recommends that DHS enhance capabilities, improve planning, and support greater adoption of National Cybersecurity Protection System (NCPS) to meet its stated system objectives of detecting and preventing intrusions, analyzing malicious content, and sharing information. Until DHS fully and effectively implements its cybersecurity authorities and responsibilities, the department's ability to improve and promote the cybersecurity of federal and private-sector networks will be limited.

## DHS OIG Reports

### ***Biennial Report on DHS' Implementation of the Cybersecurity Act of 2015***

**Number:** [OIG-18-10](#)

**Date:** November 1, 2017

**Summary:** Department of Homeland Security's progress in meeting its cybersecurity information sharing requirements was evaluated as required by Section 107 of the Cybersecurity Act of 2015 which instructs the Inspectors General from the Intelligence Community and the Departments of Commerce, Defense, Energy, Justice, Homeland Security, and Treasury to submit a joint report to the Congress on the actions the Federal Government has taken to share cybersecurity information. The Department faces challenges to effectively share cyber threat information across Federal and private sector entities. Given that NPPD emphasizes timeliness, velocity, and volume in cybersecurity information sharing, the system DHS currently uses does not provide the quality, contextual data needed to effectively defend against ever-evolving threats. OIG recommends NPPD improve its information sharing capability by acquiring technologies needed for cross-domain sharing and automated analysis of cyber threat data, enhance outreach to promote DHS' information sharing program, and implement required security controls on selected information systems.

## Federal Emergency Management Agency (FEMA)

### GAO Reports

### ***Emergency Communications: Increased Regional Collaboration Could Enhance Capabilities***

**Number:** [GAO-18-379](#)

**Date:** April 26, 2018

**Summary:** GAO reports that selected first responders and public safety officials have identified various challenges related to emergency communications. These challenges include attaining the interoperability of communication systems, obtaining funding, ensuring ongoing training, and increasing the emphasis on communications during emergency response exercises. For example,

some stakeholders have told GAO about challenges related to non-interoperable equipment, and others have said that first responders need training in support of in new, interoperable communications equipment.

To help address these challenges--and as required by the Post-Katrina Emergency Management Reform Act of 2006--the Department of Homeland Security (DHS) has provided technical assistance, such as training, and Federal Emergency Management Agency (FEMA) grants. GAO recounts that the Department has also established regional emergency communications coordination working groups, which bring together stakeholders from different levels of government and the private sector within FEMA's 10 regions.

While emergency communications challenges persist, GAO reports that stakeholders have said that the Department's technical assistance generally meets their needs, and that FEMA grants have helped them enhance emergency communications capabilities. In particular, stakeholders saw utility in training for specific communications positions. Houston-area officials said this training proved critical in preparing first responders for Hurricane Harvey. GAO also notes that some stakeholders said that FEMA grants helped them address needs that would otherwise go unfunded, including interoperable communications networks and equipment.

GAO finds that the regional working groups have enhanced emergency communications capabilities through building relationships and sharing information. Within the respective regions, group members have assisted each other during disasters and emergencies; developed technical solutions to enhance interoperability; and addressed policy concerns, such as the use of interoperable radio channels during emergencies.

GAO notes, however, that most regional group leaders told GAO that the groups would benefit from more collaboration. GAO points to prior work, which finds that including all relevant participants can enhance collaborative efforts. Further, the Department's strategic plan for emergency communications established a vision of collaboration among stakeholders across the nation. While FEMA has encouraged collaboration among regional working-group leaders, cross-regional efforts have proven limited and do not involve all group members. Developing and implementing an appropriate ongoing mechanism for collaboration could enhance emergency communications capabilities, for example by helping group members address common challenges. Without ways for all members of these groups to collaborate across regions, members may miss opportunities to share information and leverage the knowledge and experiences of their counterparts throughout the nation.

### ***2017 Disaster Contracting: Observations on Federal Contracting for Response and Recovery Efforts***

**Number:** [GAO-18-335](#)

**Date:** February 28, 2018

**Summary:** GAO notes that the 2017 hurricane season affected approximately 25.8 million people and caused an estimated \$265 billion dollars in damages, according to data from FEMA and the National Oceanic and Atmospheric Administration. Several Congressional committees asked GAO to review federal contracting activity to support the work of FEMA and other federal agencies related to the response to the 2017 hurricanes. The present report marks the first in a series of GAO

reports on this issue. This report provides an overview of contract obligations as of December 31, 2017, for three major hurricanes—Harvey, Irma, and Maria. Future reports on this subject will focus on the planning, execution, and monitoring of federally awarded contracts.

GAO recounts that as of December 31, 2017, 19 federal agencies had entered into contracts and obligated more than \$5.6 billion on those contracts to support efforts related to Hurricanes Harvey, Irma, and Maria. The Department of Homeland Security, including FEMA, and Department of Defense components, including the U.S. Army Corps of Engineers, accounted for approximately 97 percent of those obligations. Federal agencies have obligated more than \$2 billion for products, such as food, water, and shelter, and about \$3.6 billion for services, such as power restoration.

GAO finds that the rate of competition for federal contracts in the immediate aftermath of the three 2017 hurricanes GAO examined exceeded the competition rate for contracts awarded over the same time interval following 2005's Hurricane Katrina. Federal rules generally require agencies to award contracts based on full and open competition. GAO notes, however, that under these rules an agency may award a contract noncompetitively in cases of urgent need for goods and/or services—as in the case of a natural disaster.

GAO finds, for the three 2017 hurricanes: that the percentage of total obligations reported under competitive contracts was 73 percent as of December 31, 2017; and that the percentage of contracts awarded competitively within the first 90 days after each hurricane's landfall was approximately 74 percent—an improvement compared to the first 90 days after Hurricane Katrina's landfall, during which time the competition rate for contracts was about 53 percent.

### ***Next Generation 911: National 911 Program Could Strengthen Efforts to Assist States***

**Number:** [GAO-18-252](#)

**Date:** January 31, 2018

**Summary:** GAO notes that each year, millions of Americans call 911 for help during emergencies. However, the nation's legacy 911 system relies on aging infrastructure that is not designed to accommodate modern communications technologies. As a result, states and localities are upgrading to Next Generation 911 (NG911) service, which offers improved capabilities, such as the ability to process images, audio files, and video.

While responsibility for deploying NG911 lies with state and local entities, GAO finds that Federal agencies also support implementation, led by the National Highway Transportation Safety Administration's National 911 Program, which facilitates collaboration among federal, state, and local 911 stakeholders. Several Members of Congress asked GAO to review NG911 implementation nationwide. The present report examines: (1) state and local progress and challenges in implementing NG911 and (2) Federal actions to address challenges and planned next steps.

GAO recommends that NHTSA's National 911 Program develop performance goals and measures and, for the National NG911 Roadmap; determine agencies' roles and responsibilities; and develop an implementation plan.

***Emergency Management: Federal Agencies Could Improve Dissemination of Resources to Colleges*****Number:** [GAO-18-233](#)**Date:** January 23, 2018

**Summary:** GAO observes that colleges and other postsecondary schools must plan for various potential emergencies, ranging from natural disasters to violence. A number of federal agencies, including DHS, DOJ, and Education, offer resources to support these efforts. Several Members of Congress asked GAO to review colleges' awareness of these resources.

The present report examines (1) how selected colleges prepare for emergencies, and (2) how federal agencies support college emergency-preparedness efforts, including the extent to which selected colleges reported awareness of federal resources.

GAO notes that emergency managers at 18 colleges across the country indicated that their efforts to prepare for emergencies involved working with the campus community to develop, communicate, and practice plans, as well as working with state- and local-level partners. GAO further notes that campus-community members involved in preparing for emergencies often include personnel from offices such as public safety, student affairs, or facilities. Officials at all 18 colleges reported developing emergency plans addressing a range of potential events—an approach consistent with federal emergency-management principles.

GAO explains that to publicize plans, officials often report using websites, text messages, or presentations to the campus community. Colleges also report practicing plans through drills. College officials note that buy-in from the college president and other top campus leaders has proven critical to their efforts; several officials reported struggling to obtain such support. Most officials also said they coordinate with local or state partners such as police and rely on these partners for advice or to obtain emergency preparedness resources.

GAO finds that the Departments of Homeland Security, Justice, and Education offer a variety of emergency preparedness resources to colleges. However, officials GAO interviewed at 18 colleges describe mixed awareness of federal resources, especially those specifically tailored to colleges, despite federal efforts to publicize these resources in a variety of ways. Federal officials and other stakeholders acknowledge this mixed awareness and identified potential causes—such as college emergency managers having networks comprised of local officials more likely to know about federal resources for local agencies versus those available for colleges; or some college officials devoting limited time to researching federal resources for one reason or another.

GAO reports that DHS, DOJ, and Education all publicize their resources through electronic mailing lists, websites, or other methods: Nevertheless, GAO identifies missed opportunities in their dissemination approaches. For example, the electronic mailing list for one key resource may reach approximately 1,000 officials from colleges subscribed, but may miss at least 3,000 additional schools. GAO also finds two federal agency websites that did not include key resources from other federal agencies. GAO highlights requirements in Federal internal control standards calling on agencies to consider the most appropriate methods for communicating with their external audiences. GAO concludes that by identifying opportunities to improve dissemination, federal agencies may increase their ability to effectively communicate important information to colleges.

## ***Emergency Communications: Overlap and Views on the Effectiveness of Organizations Promoting the Interoperability of Equipment***

**Number:** [GAO-18-173R](#)

**Date:** October 30, 2017

**Summary:** Interoperable communications systems allow first responders to communicate with their counterparts in other agencies and jurisdictions, even though the systems or equipment vendors may differ. GAO reports that currently, the public-safety community uses land mobile radio systems to transmit and receive critical voice communications, but land mobile radio systems may have issues with interoperability and capacity during large-scale emergencies or disasters.

GAO notes that several organizations created following Hurricane Katrina in 2005 promote the interoperability of emergency communications systems by focusing on technologies including, but not limited to, land mobile radio and satellite technology. These organizations include the Department of Homeland Security's Office of Emergency Communications (OEC), SAFECOM, the Emergency Communications Preparedness Center (ECPC), and the National Council of Statewide Interoperability Coordinators (NCSWIC). GAO further recounts that since 2013, organizations connected to the Department of Commerce's National Telecommunications and Information Administration (NTIA) have directly involved public-safety agencies in the development and implementation of a nationwide public safety broadband network.

This correspondence and briefing to Congress addresses two key questions: 1) What are the missions and memberships of organizations that promote the interoperability of emergency communications, and to what extent, if at all, are they overlapping or duplicative? 2) What are selected stakeholders' views on the effectiveness of the efforts of these organizations?

GAO reports on two key findings: First, all of the organizations reviewed by GAO promote interoperable emergency communications. While these organizations' missions overlap to some degree, each has a specific focus and role. GAO also finds that an overlap in membership exists, especially between SAFECOM and the Public Safety Advisory Committee, linked to NTIA. However, GAO finds that the organizations' mission complement rather than duplicate each other, and that the overlap in organizations' missions appears to have positive effects.

Second, GAO observes that most stakeholders indicate that SAFECOM, ECPC, NCSWIC, and PSAC operate and collaborate effectively. For example, GAO reports that stakeholders said SAFECOM, along with NCSWIC in some cases, has developed effective written products that promote the interoperability of emergency communications. However, three stakeholders—representing tribal, county, or municipal interests—of the 11 we interviewed, told us that they believed SAFECOM and PSAC did not fully represent the views of tribal, county, or municipal organizations.

## DHS OIG Reports

### ***Management Alert—Observations of FEMA’s Debris Monitoring Efforts for Hurricane Irma***

**Number:** [OIG-18-85](#)

**Date:** September 27, 2018

**Summary:** OIG sends DHS leaders *Management Alerts* in cases when OIG concludes that information collected in the course of audit work requires leaders’ immediate attention. In this *Alert*, OIG advises FEMA of the risks for fraud, waste, abuse, and mismanagement of Federal resources surrounding debris removal operations. This alert emphasizes potential debris monitoring challenges and risks that FEMA needs to address during response and recovery efforts for any disaster.

OIG finds that FEMA’s guidance for debris monitoring lacks sufficient information to ensure adequate oversight. In a previous report, OIG identified deficiencies in FEMA’s debris removal guidance, making 10 recommendations, in part, to strengthen FEMA’s debris removal guidance and procedures. In response, FEMA released additional criteria pertaining to debris estimating and monitoring to enhance the overall effectiveness of this process.

In January 2016, FEMA issued a Program and Policy Guide for the Public Assistance (PA) program superseding almost all PA guidance, including guidance for debris operations. FEMA’s PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

OIG finds that this Guide eliminates Federal and state monitoring responsibilities for debris operations, relying solely on subrecipients to monitor debris removal operations. Additionally, although local officials said contractors perform required monitoring of debris removal efforts, OIG also finds that FEMA, State, and subrecipients provided limited or no contractor oversight, and contractor employees lacked adequate training for monitoring.

OIG notes that FEMA’s estimates for damage from Hurricane Irma in Florida and Georgia exceed \$4.2 billion, with debris removal operations comprising approximately 36 percent of the total Public Assistance cost or \$1.5 billion. OIG concludes that without adequate guidance and oversight of debris removal by FEMA, State officials, and subrecipients, risks of fraud, waste, and abuse increase, with great potential cost to taxpayers.

### ***Summary and Key Findings of Fiscal Year 2017 FEMA Disaster Grant and Program Audits***

**Number:** [OIG-18-75](#)

**Date:** September 5, 2018

**Summary:** OIG describes this product as the ninth annual “capping” report summarizing the results of OIG’s disaster-related audits. This annual summary--a consolidation of all OIG findings and recommendations--informs FEMA headquarters officials about significant and systemic issues of noncompliance and inefficiencies in disaster-related programs, warranting senior FEMA leaders’

attention. OIG notes that the report also emphasizes the total potential monetary benefits resulting from implementation of OIG's recommendations.

In fiscal year 2017, OIG issued 37 reports concerning FEMA grants, programs, and operations. OIG made 79 recommendations to FEMA, which identified potential monetary benefits of nearly \$2.2 billion. Two recommendations from "FEMA Should Disallow \$2.04 Billion Approved for New Orleans Infrastructure Repairs" (OIG-17-97-D, July 24, 2017), accounted for \$2.04 billion of the benefits identified. FEMA disagreed with the recommendations, and OIG appealed to the DHS Audit Follow-up and Resolution Official for resolution. OIG reports that on July 12, 2018, the DHS Resolution Official concluded that FEMA acted appropriately and within its authority when awarding the funds.

OIG finds that collectively, the above-noted FY 2017 audit work shows that FEMA continues to face systemic problems and operational challenges, and fails to manage disaster relief grants and funds adequately. In addition, OIG concludes that FEMA remains ineffective at holding grant recipients accountable for properly managing disaster relief funds and providing adequate monitoring of or technical assistance to subgrantees. In ongoing audit work addressing similar objectives, OIG continues to identify problems such as improper contracting activities, and ineligible and unsupported expenditures.

### ***Special Report: Lessons Learned from Previous Audit Reports Related to California's Practice of Managing Public Assistance Grants***

**Number:** OIG-18-74

**Date:** August 14, 2018

**Summary:** This OIG special report focuses on challenges FEMA may face in light of the State of California's grant-administration practices. Specifically, this report highlights California's practices of managing and overseeing Public Assistance (PA) grant funds awarded by FEMA to subrecipients recovering from wildfires, mudslides, flooding, landslides, and mud and debris flows that occurred in the state between 2017 and 2018. FEMA's PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

OIG finds that FEMA needs to continue providing technical assistance to and monitoring of California's management of PA grant funding. OIG contends that this would help to avoid the risk of exposing millions of taxpayer dollars to fraud, waste, or mismanagement and violating the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In doing so, OIG observes that FEMA can assist California in providing reasonable, but not absolute assurance that Public Assistance subgrant spending accords with Federal regulations and FEMA guidelines.

From October 1, 2013 through October 31, 2017, OIG issued 21 reports covering nine federally declared disasters in California. OIG finds that FEMA paid California over \$30 million to manage and monitor Public Assistance subgrants awarded under the nine disasters declared during this period. However, OIG also finds that California inadequately monitored the subrecipients' activities, which contributed to issues identified in prior OIG reports. In addition to California's inadequate grant management, OIG indicates that other issues identified in prior reports included subrecipients' improper procurement actions, and unsupported or ineligible costs claimed.

OIG recounts that reports summarized in this product included 12 grant management findings and 40 recommendations, including 26 recommendations for questioned costs of \$183.2 million. OIG determined that FEMA will likely face similar challenges pertaining to California's practices of monitoring subgrant activities during the recovery from seven major disasters declared between February 2017 and January 2018.

### ***Department of Homeland Security's FY 2017 Compliance with the Improper Payments Elimination and Recovery Act of 2010***

**Number:** [OIG-18-72](#)

**Date:** August 9, 2018

**Summary:** On July 22, 2010, the President signed the Improper Payments Elimination and Recovery Act of 2010 (IPERA, or the Act), which requires agency heads to periodically review all programs and activities administered and identify those that may be susceptible to significant improper payments. Executive guidance states that the agency must conduct risk assessments, and report and publish the results of selected program testing in its AFR to comply with IPERA.

The Department of Homeland Security (DHS) Office of the Inspector General (OIG) is tasked annually to review the Department's compliance to IPERA. In fiscal year 2017, OIG determined that DHS did not comply with IPERA because it did not meet its annual reduction targets for 2 of 14 programs. OIG provided DHS with six recommendations and concurred with all of them.

### ***FEMA Paid Employees Over the Annual Premium Pay Cap***

**Number:** [OIG-18-71](#)

**Date:** July 31, 2018

**Summary:** In December 2017, the Administrator of FEMA formally requested that OIG review issues related to FEMA paying employees in excess of annual pay limitations. OIG reports conducting this special review to assess why these exceedances occurred, and to determine what actions FEMA has taken to address the overpayments and enforce the statutory premium pay limitations going forward.

OIG finds that FEMA overpaid its employees because of a mistakenly belief that the Department's payroll provider used an automated control to prevent payments over the annual cap, and because FEMA did not follow its own premium-pay policy. OIG also finds that FEMA has no effective policy or practice to determine FEMA employees' Fair Labor Standards Act status during disaster deployments, which also contributed to this issue.

OIG further reports that since discovering the overpayments, FEMA has worked to calculate how many people received overpayments, but FEMA cannot finish that analysis without addressing a number of outstanding questions. OIG additionally finds that FEMA has not yet determined how to prevent future overpayments or to account for the Fair Labor Standards Act classification issue.

OIG observes that while Congress passed legislation in March 2018 raising the annual premium pay cap for 2017, FEMA must still resolve these issues to determine whether any payments made exceeded the revised 2017 pay cap, and whether FEMA owes employees additional overtime as a result of the raised cap. Finally, OIG finds that FEMA must still complete its analysis of possible

overpayments in prior years, and determine how to prevent overpayments and ensure compliance with Federal regulations in future disaster responses.

### ***Sandy Recovery Act Improvement Review***

**Number:** [OIG-18-66](#)

**Date:** June 1, 2018

**Summary:** OIG reports that the Sandy Recovery Improvement Act of 2013 (SRIA) authorizes FEMA to develop alternative procedures for its Public Assistance program, which provides disaster relief to states, counties, cities, and other local governments, as well as some nonprofit organizations. OIG notes that SRIA authorizes FEMA to implement alternative procedures through a pilot program.

OIG explains that the pilot program applies to large permanent work projects in any major disaster declared on or after May 20, 2013. OIG further notes that the pilot also applies to large permanent work projects in major disasters declared prior to this date if construction for the project has not yet begun. OIG observes that the program will remain in place until FEMA promulgates and adopts revised regulations that reflect the program changes the law authorizes. OIG finds that as of the present report, neither Congress nor FEMA have not set an end-date for the pilot. OIG reports that as of July 2017, the FEMA pilot program included 252 permanent work projects, valued at \$11.9 billion.

As part of SRIA, Congress tasks OIG with preparing a report to assess the effectiveness of the PA program's alternative procedures pilot program. OIG recounts that Congress enacted SRIA due to general concerns that recovery from Hurricane Sandy would suffer delays and bureaucratic burdens which would inhibit recovery.

OIG further recounts that in July 2017, FEMA reported awarding 252 projects under the PA alternative procedures pilot program valued at \$11.9 billion, with just 26 of those projects closed. OIG finds that because so few projects have closed as of the present report, this OIG product cannot assess the program's successes, failures, strengths, or weaknesses.

OIG reports reviewing three obligated projects, valued at \$1.3 billion, to determine whether FEMA followed formal guidance for validating subrecipients' estimates. OIG notes that FEMA's guidance outlines the process used to review and validate cost estimates submitted by subrecipients to FEMA for permanent work under the pilot program. In the course of OIG's limited testing, OIG finds that FEMA did not sufficiently document its actions to validate subrecipient estimates to ensure the costs reasonableness.

OIG reports plans to reassess the pilot program in the future to determine whether FEMA has followed policies and procedures; and to determine whether the pilot program has improved the PA program.

***Cache County, Utah Needs Additional Assistance and Monitoring to Ensure Proper Management of its FEMA Grant*****Number:** [OIG-18-64](#)**Date:** May 11, 2018**Summary:** OIG reports that Cache County, UT estimated that the municipality had sustained \$2.7 million in damages from severe storms and flooding in February 2017.

OIG explains the decision to conduct this audit early in the grant process as one motivated to identify areas in which Cache County may need additional technical assistance or monitoring to ensure compliance with Federal requirements.

OIG finds that accounting policies, procedures, and business practices for Cache County appear adequate to account for grant funds according to Federal regulations and FEMA. OIG notes, however, that Cache County does not have adequate procurement policies, procedures, and business practices that comply fully with all Federal standards for its planned procurements, totaling approximately \$500,000.

OIG attributes primary responsibility for risks associated with the County's inadequate procurement system to agencies of the State of Utah: Specifically, OIG finds that as a FEMA grant recipient, the Department of Public Safety's Division of Emergency Management did not ensure that the County had fully understood and prepared to comply with Federal procurement standards. In addition, OIG finds that FEMA needs to improve monitoring of the State of Utah's grant-management activities to ensure compliance with Federal regulations, FEMA's policies, and the FEMA-State Agreement.

At the time of our fieldwork, FEMA had not completed project worksheets to define the scope of disaster work. At this early stage in the grant process, Utah needs to provide the County with additional technical assistance and increased monitoring. Doing so should provide FEMA reasonable, but not absolute, assurance that the County will spend the \$2.7 million in total estimated disaster-related costs according to Federal requirements.

***FEMA Should Recover \$20.4 Million in Grant Funds Awarded to Diamondhead Water and Sewer District, Mississippi*****Number:** [OIG-18-63](#)**Date:** May 4, 2018**Summary:** OIG reports that as of September 14, 2016 the Diamondhead Water and Sewer District had received a FEMA grant award of \$49.3 million from the Mississippi Emergency Management Agency for damage resulting from Hurricane Katrina in 2005. OIG noted concerns, because it took Diamondhead about 10 years to break ground on its new wastewater treatment plant. OIG indicates a further interest in determining whether FEMA had accurately applied its "50 Percent Rule" in the case of this grant.

OIG finds that Mississippi did not fulfill its grantee responsibility to ensure that Diamondhead followed applicable Federal grant requirements. OIG also finds that FEMA officials incorrectly

applied the agency's "50 Percent Rule" – a cost comparison tool used by FEMA officials to compare certain costs in the course of making a repair-versus-replacement decision -- when deciding to replace rather than repair the Diamondhead Wastewater Treatment Plant. OIG finds that as a result of incorrectly applying the 50 Percent Rule, FEMA awarded the District \$18.9 million in ineligible replacement costs.

OIG also identifies \$1.5 million of improper procurement, unsupported costs, duplicate insurance benefits, and uncompleted project costs submitted by Diamondhead that FEMA should disallow. OIG describes these problems as largely the result of the State of Mississippi not fulfilling its grantee responsibility to ensure that Diamondhead properly managed FEMA funds.

OIG notes that Mississippi has formal responsibility for monitoring subgrant activities and receives Federal funds to support subgrant management and oversight. OIG additionally notes that FEMA has formal responsibility to hold Mississippi accountable for proper grant administration. With this in mind, OIG concludes that should disallow \$20.4 million of ineligible and unsupported costs, and direct Mississippi to provide additional technical assistance and monitoring to Diamondhead.

### ***Victor Valley Wastewater Reclamation Authority, California, Provided FEMA Incorrect Information for its \$33 Million Project***

**Number:** [OIG-18-62](#)

**Date:** April 26, 2018

**Summary:** OIG reports that the Victor Valley Wastewater Reclamation Authority, CA received a \$41 million FEMA grant award for damages from heavy rainfall and flooding that occurred in December 2010 and January 2011. OIG recounts auditing more than \$33 million that FEMA awarded for the relocation and replacement of Victor Valley's pipeline. The present report--the second of two--focuses on incorrect data Victor Valley and its engineering contractor provided to FEMA.

OIG finds that Victor Valley, through its main engineering contractor, provided incorrect information to FEMA. OIG also finds that FEMA relied on this information and awarded Victor Valley more than \$33 million to replace and relocate its wastewater pipeline.

OIG specifically withholds comment on the appropriateness of the pipeline-repair strategy. Rather, OIG focuses on reporting with regard to the incorrect information Victor Valley officials provided to FEMA in the course of obtaining more than \$33 million in grant funds.

OIG notes that in a previous report (OIG-17-25-D), OIG determined that Victor Valley officials did not comply with Federal procurement regulations in their award and administration of three contracts totaling \$31.7 million, and did not properly account for costs.

***The City of Waterloo, Iowa Jeopardizes \$1.9 Million in Estimated FEMA Grant Funding*****Number:** [OIG-18-60](#)**Date:** April 9, 2018

**Summary:** OIG reports that at the time of the present audit, FEMA estimated that the City of Waterloo, IA sustained approximately \$1.9 million in damages from severe storms and flooding from September 21 through October 3, 2016. OIG explains the decision to conduct this audit early in the grant process as one motivated to identify areas in which Waterloo may need additional technical assistance or monitoring to ensure compliance with Federal requirements.

OIG notes that Waterloo officials did not provide all requested information and explanations necessary for OIG to perform the present review. OIG observes that because Waterloo did not provide supporting documentation for its disaster transactions, OIG could not assess whether Waterloo's policies, procedures, and business practices were adequate to account properly for FEMA Public Assistance (PA) grant funds. FEMA's PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

OIG finds that Waterloo's failure to cooperate with a Federal audit put approximately \$1.9 million dollars in potential FEMA grant funding at risk of deobligation or withholding. OIG also finds that based on the City of Waterloo's actions, FEMA lacks assurance that Waterloo can properly account for disaster-related costs, nor can FEMA have assurance of the eligibility or allowability of costs submitted by Waterloo. OIG further notes that FEMA cannot ensure that Waterloo followed Federal procurement regulations and FEMA guidelines for disaster-related costs.

***Management Alert—Inadequate FEMA Progress in Addressing Open Recommendations from our 2015 Report, “FEMA Faces Challenges in Managing Information Technology” (OIG-16-10)*****Number:** [OIG-18-54](#)**Date:** February 26, 2018

**Summary:** The Department of Homeland Security's (DHS) Office of Inspector General (OIG) determined that the Federal Emergency Management Agency's (FEMA) response to addressing the recommendations provided in a previous report did not meet the recommended timeline for action. In a letter to FEMA's Administrator, William B. Long, the OIG highlighted specific areas of concern and ultimately decided to suspend their verification review at a later date. OIG intends to conduct a more comprehensive audit of the agency's information technology management approach with the expectation that results might assist FEMA in resolving its longstanding IT issues.

***City of Cedar Falls, Iowa Has Policies, Procedures, and Business Practices to Manage its FEMA Grant*****Number:** [OIG-18-49](#)**Date:** February 7, 2018

**Summary:** OIG reports that at the time of the present audit, FEMA had estimated that the City of Cedar Falls, Iowa, had sustained approximately \$893,000 in damage caused by severe storms and flooding from September 21 through October 3, 2016. OIG explains the decision to conduct this audit early in the grant process as one motivated to identify areas in which Cedar Falls may need additional technical assistance or monitoring to ensure compliance with Federal requirements.

OIG finds that except for procurement, the policies, procedures, and business practices followed by Cedar Falls appear adequate for the purposes of accounting for and expending FEMA grant funds according to Federal regulations and FEMA policies. OIG specifically finds that procurement policies followed by Cedar Falls have not provided sufficient opportunities for disadvantaged firms to compete for contracts, nor have they prevented contract awards to debarred or suspended contractors.

OIG recounts that after discussing these issues with officials from the City of Cedar Falls, city government moved quickly to modify procurement policies to comply with Federal requirements. OIG finds that these corrections should help provide reasonable assurance that Cedar Falls will comply with Federal procurement standards in administering future contract costs.

OIG notes that officials of the State of Iowa's Department of Homeland Security and Emergency Management Department said they worked to educate Cedar Falls about FEMA requirements, and completed a pre-award risk assessment, to ensure that Cedar Falls receives an adequate level of grant monitoring.

***Indiana Needs to Improve the Management of its FEMA Hazard Mitigation Grants*****Number:** [OIG-18-40](#)**Date:** January 25, 2018

**Summary:** OIG reports that the State of Indiana's Department of Homeland Security has received from FEMA \$27.9 million in Hazard Mitigation Grant Program (HMGP) funds to disburse to eligible subgrantees for projects in 10 disasters declared from June 2004 to April 2014. OIG further reports conducting the audit to determine whether Indiana administered the grant program in accordance with Federal regulations and ensured that subgrantees properly accounted for and expended FEMA funds.

OIG finds that in some instances, Indiana met HMGP goals to reduce the risk of future damages, hardship, loss, or suffering in major disasters. At the same time, OIG reports that Indiana could not demonstrate to OIG that the State follows procedures and processes to ensure compliance with all Federal monitoring and financial reporting requirements.

Specifically, OIG finds that Indiana did not perform required subgrant monitoring during project implementation and post closeout; did not submit quarterly progress and financial reports that met requirements; and did not comply with financial-management requirements to ensure that

subgrantees accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines.

OIG notes that from 2012 to 2016, Indiana's quarterly reports did not contain accurate and sufficient information to determine the status of projects because of control deficiencies in its reporting process. OIG further reports that Indiana did not comply with Federal regulations regarding financial reporting, drawdowns of funds, and allocation of management costs for its grant expenditures. Specifically, OIG finds that these deficiencies resulted in a \$4.8 million discrepancy in Federal funds authorized for one disaster; incorrect and untimely drawdowns of \$464,489 of program funds; and \$73,938 of miscoded state management costs.

OIG observes that these deficiencies occurred because Indiana does not follow policies and procedures nor hire and train staff sufficient to ensure the accuracy of reported program expenditures. OIG concludes that as a result, FEMA has little assurance of the accuracy of that progress or financial reports, nor does Indiana have assurance that the State's subgrantees used property acquired with Federal funds for intended purposes.

### ***Audit of FEMA Public Assistance Grant Funds Awarded to Volunteer Energy***

**Number:** [OIG-18-39](#)

**Date:** January 25, 2018

**Summary:** OIG reports that Volunteer Energy Cooperative, TN received an \$8.3 million grant award from the State of Tennessee's Emergency Management Agency--a FEMA grantee--for damages resulting from a severe winter storm in February 2015. OIG also reports auditing one large project with an award totaling \$8.3 million. OIG also reports conducting this audit was to determine whether Volunteer accounted for and expended FEMA funds according to Federal requirements.

OIG finds that Volunteer properly accounted for and adequately supported its claim of \$8.3 million for disaster-related activities. OIG further notes, however, that Volunteer's contracting process did not meet all Federal procurement requirements: Volunteer used its own contracting procedures to award \$6.5 million of noncompetitive contracts for disaster-related work, though OIG concludes that exigent circumstances warranted Volunteer's use of noncompetitive contracts. OIG recounts that although Volunteer's contracting procedures did not meet Federal procurement requirements, Volunteer had completed all contract work necessary for restoring electrical power to its affected customers by March 7, 2015, almost 4 weeks before the Presidential disaster declaration.

OIG observes that under these circumstances, OIG would usually question the \$6.5 million of contract work because of the contracting deficiencies. OIG finds, however, that because of the exigent nature of the work, and extenuating circumstances regarding the timing of the disaster declaration and the completion of the contract work, OIG does not question any contract costs in this case.

### ***Unsupported Payments Made to Policyholders Who Participated in the Hurricane Sandy Claims Review Process***

**Number:** [OIG-18-38](#)

**Date:** January 24, 2018

**Summary:** OIG reports auditing the Hurricane Sandy Claims Review Process (SCRCP) in response to concerns conveyed from Members of Congress. OIG reports conducting the audit to determine whether FEMA had properly completed reviewing claims submitted through the SCRCP.

OIG recounts that facing continued negative publicity and pressure from Members of Congress, FEMA created the SCRCP. OIG observes that in doing so, FEMA did not rely on certain internal controls, mandated in legislation and designed to ensure appropriate payments for flood victims.

Additionally, OIG finds that during the formation and operation of the SCRCP, FEMA failed to establish contractor expectations or provide consistent guidance and oversight related to Hurricane Sandy claims. OIG concludes that these omissions resulted in policyholders receiving unsupported additional payments; excessive costs to operate the SCRCP, and time delays in processing the claims.

OIG relates that FEMA has received 19,464 eligible requests for re-review through the SCRCP process. OIG reports that as of December 1, 2017, performing the SCRCP review has cost in excess of \$196 million to perform, and has offered policyholders an additional \$270 million for their claims.

### ***Management Alert—FEMA Faces Significant Challenges Ensuring Recipients Properly Manage Disaster Funds***

**Number:** [OIG-18-33](#)

**Date:** December 20, 2017

**Summary:** OIG sends DHS leaders *Management Alerts* in cases when OIG concludes that information collected in the course of audit work requires leaders' immediate attention. In this *Alert*, OIG highlights challenges faced by FEMA with regard to internal controls related to grant management and oversight of disaster funds. OIG describes FEMA's internal control weaknesses, and the consequences of ineffective FEMA efforts to improve its internal controls, based on prior OIG reports and reports from independent audits of the Department's financial statements which have addressed proper grant management.

OIG notes that the present report finds FEMA responding to three of the most catastrophic disasters in U.S. history. Although these disasters' full toll remains unknown as of the present report, OIG notes that FEMA had identified \$31.5 billion in estimated damages from Hurricanes Harvey, Irma, and Maria, which may translate into billions of dollars in obligated FEMA funds. Considering both the likelihood of a very large volume of grant awards in response to the 2017 disasters, and the extensive history of questioned costs in previous audits of FEMA disaster funds, OIG concludes that FEMA's inadequate grant management poses a significant risk to taxpayer dollars.

OIG recounts identifying issues in previous reports demonstrating that FEMA's ongoing issues with ensuring disaster-grant recipients' and subrecipients' compliance with Federal regulations and FEMA guidelines. Specifically, OIG notes that FEMA faces significant challenges in ensuring that

grant recipients properly manage FEMA disaster funds. In this *Alert*, OIG underscores significant deficiencies with regard to FEMA's internal controls, and FEMA's insufficient enforcement of Federal requirements.

OIG concludes that as FEMA moves forward with its recovery efforts, FEMA must hold recipients accountable for proper grant management. Finally, OIG urges that FEMA implement and use effective controls to overcome existing problems with managing and monitoring funds for disaster response and recovery.

### ***Management Alert--FEMA Must Take Steps to Stop Those Attempting to Profit from Disaster Survivors Seeking Assistance in Puerto Rico***

**Number:** [OIG-18-30](#)

**Date:** December 11, 2017

**Summary:** OIG sends DHS leaders *Management Alerts* in cases when OIG concludes that information collected in the course of audit work requires leaders' immediate attention. In this *Alert*, OIG notifies FEMA and partner organizations with regard to people attempting to profit from hurricane survivors seeking disaster assistance in Puerto Rico; and remind FEMA, its partners, and others of the need to protect personally identifiable information and identify steps that can be taken promptly to stop those operations. OIG staff observed several instances of false rumors, scams, identity theft, and fraud during their ongoing disaster oversight work in Puerto Rico and wanted to alert FEMA to take actions necessary to quickly stop those who would profit from the vulnerability of disaster survivors.

### ***Lessons Learned from Prior Reports on Disaster-Related Procurement and Contracting***

**Number:** [OIG-18-29](#)

**Date:** December 5, 2017

**Summary:** This OIG special report focuses on disaster-related procurements by FEMA and by entities receiving FEMA grants and/or subgrants. OIG relates that this product describes lessons learned regarding disaster-related procurements based on issues and observations from previous OIG reports.

Publication of this product finds FEMA responding to some of the most catastrophic disasters in U.S. history — Hurricanes Harvey, Irma, Maria, and the October 2017, California wildfires. OIG warns that because of the massive scale of damage and the numerous, high-dollar contracts likely awarded as part of these responses, billions of taxpayer dollars face a significant risk of exposure to waste, fraud, and abuse.

OIG recounts that issues and observations described in our previous reports clearly point to FEMA's ongoing failures to oversee its grant recipients. OIG states that FEMA bears formal responsibility for monitoring recipients to ensure proper grant administration. OIG adds that grant recipients, in turn, must manage subrecipients to ensure that grant fund expenditures comply with Federal procurement requirements. OIG observes that noncompliance can result in high-risk contracts, which may generate excessive and ineligible costs. OIG further notes that failure to

follow these requirements could hinder many of the socioeconomic goals intended by Congress at the establishment of FEMA's grant programs.

OIG underscores that during the initial recovery phase for the above-noted disasters, FEMA must ensure that grant recipients—i.e. states and tribal governments--effectively manage their disaster relief grants. OIG adds that in doing so, the states/tribes must also ensure that subrecipients have developed adequate procurement policies and procedures, and that states' or tribes' procurement actions fully comply with Federal procurement requirements. OIG concludes that these measures should provide reasonable, if not absolute assurance that grantees have spent funds properly, and mitigated the risk of taxpayers bearing ineligible and excessive costs.

### ***Osceola Electric Cooperative, Iowa Mismanaged \$14 Million in FEMA Disaster Grants***

**Number:** [OIG-18-28](#)

**Date:** December 5, 2017

**Summary:** OIG reports that Osceola Electric Cooperative, Inc. received a \$10 million FEMA grant award for damages caused by a severe winter storm in April 2013. Although the disaster occurred 4 years ago, OIG notes that Osceola has not completed all FEMA projects. OIG explains the decision to conduct this audit early in the grant process as one motivated to identify areas in which Osceola may need additional technical assistance or monitoring to ensure compliance.

OIG finds that Osceola generally accounted for and expended \$10 million FEMA Public Assistance (PA) funds according to Federal regulations and FEMA guidelines. FEMA's PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

In awarding contracts for disaster work, Osceola performed cost/price analyses to ensure reasonable costs; awarded contracts through open and free competition--including providing opportunities for disadvantaged firms to compete for contracts; awarded only fixed-price type contracts, a best practice for cost control; and included all required provisions in contracts.

OIG relates identifying only one noncompliance issue: Osceola awarded contracts for disaster-related work without ensuring that contractors selected were not debarred or suspended from receiving Federal grant or subgrant funds. OIG does not question costs for this noncompliance, because OIG auditors have verified that none of Osceola's contractors had been debarred or suspended, and Osceola took corrective measures to include contractor verification in all future awards for disaster-related projects.

### ***Solano County, California, Has Policies, Procedures, and Business Practices to Manage its FEMA Grant Funding***

**Number:** [OIG-18-26](#)

**Date:** December 5, 2017

**Summary:** OIG reports that severe winter storms, flooding, and mudslides during January and February 2017 caused significant damage to Solano County, California, estimated by County officials at \$1.6 million. OIG recounts conducting this audit early in the Public Assistance process

to identify areas in which the County may need additional technical assistance or monitoring to ensure compliance with Federal regulations and FEMA guidelines. FEMA's PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

As of OIG's audit cutoff date, the California Governor's Office of Emergency Services (California) — a FEMA grant recipient — had not yet awarded any of the \$1.6 million in estimated damages Solano County sustained from two severe flooding and mudslide events occurring January and February 2017. By the cutoff date, OIG reports that FEMA had not finalized project worksheets to define the scope of disaster work, and the County had not completed most of its disaster-related work or filed claims for reimbursement. With this in mind, OIG's audit assessed policies, procedures, and business practices the County used to account for and expend \$185,816 in disaster-related costs the County had incurred at of the time of the audit.

Based on limited testing, OIG reports that the County appears to have in place policies, procedures, and business practices generally to account for and expend FEMA Public Assistance grant funds according to Federal regulations and FEMA guidelines. OIG further finds that Solano County should have the ability to account for disaster-related costs on a project-by-project basis and adequately support these costs. Finally, OIG adds that the County's procurement policies, procedures, and practices meet Federal procurement standards.

### ***The Omaha Tribe of Nebraska and Iowa Mismanaged \$14 Million in FEMA Disaster Grants DR-1998-IA and DR-4013-NE***

**Number:** [OIG-18-25](#)

**Date:** November 30, 2017

**Summary:** OIG recounts that FEMA awarded the Omaha Tribe of Nebraska and Iowa \$16.9 million in grants for damages resulting from 2011 flooding. FEMA officials requested this audit to help them assess the tribe's compliance with Federal regulations. OIG has found the Tribe's accounting system and supporting documentation so unreliable and in such disarray that OIG could verify only the following amounts with any degree of confidence: \$2.8 million of unneeded funds; \$165,000 of unclaimed insurance coverage; and about \$74,749 of eligible and supported costs. OIG questions the remaining \$13.9 million as unsupported, i.e. \$16.9 million less \$2.8 million unused, \$165,000 unclaimed insurance coverage, and \$74,749 eligible and supported.

In light of these serious and pervasive problems, OIG calls on FEMA Region VII not to provide any additional funds to Tribe until FEMA can confirm that the tribe actually performed the FEMA-authorized work at a reasonable price. OIG's report describes multiple violations of Federal regulations, including the tribe contracting with itself to generate artificial profits from its disaster recovery work.

OIG finally notes that in less severe cases, OIG typically advises FEMA to direct the grantee to work with the subgrantee to ensure all costs are eligible and supported. However, in this case, OIG acknowledges the Tribe as the eligible sovereign grantee, but at the same time finds the Tribe incapable of properly managing a Federal grant. OIG recommends that FEMA inspect the Tribe's completed work, and allow the Tribe to keep its estimated value of this work up to the 90 percent Federal share of the grants.

***Special Report: Lessons Learned from Prior DHS-OIG Reports Related to FEMA's Response to Texas Disasters and Texas' Management of FEMA Grant Funds***

**Number:** [OIG-18-21](#)

**Date:** November 30, 2017

**Summary:** While in the early phases of FEMA's response to Hurricane Harvey in Texas, OIG describes lessons learned from prior reports on FEMA's response to Texas disasters and the Texas Division of Emergency Management's stewardship of FEMA grant funds. OIG frames Harvey as one of the largest disasters in U.S. history, with damage estimates at the time of the report expected to exceed \$100 billion. OIG observes that due to the massive scale of damage, FEMA and the State of Texas, as a FEMA grantee, will face many challenges in the recovery phase of the disaster.

OIG relates that prior reports highlighted that FEMA faced resource challenges in responding to a May 2015 Texas flooding disaster, and determined that Texas needs to improve grant-management efforts. OIG urges FEMA officials to remain mindful of lessons learned from these reports in providing disaster assistance to Hurricane Harvey survivors. OIG also calls on Texas to monitor closely grant-management activities closely. In OIG's view, doing so should provide reasonable, assurance of proper expenditure of Federal disaster-assistance funds, and mitigate the risk of ineligible and excessive costs borne by taxpayers.

***Napa State Hospital, California, Should Improve the Management of its \$6.7 Million FEMA Grant***

**Number:** [OIG-18-17](#)

**Date:** November 16, 2017

**Summary:** Through the California Governor's Office of Emergency Services, FEMA has provided Napa State Hospital \$6.7 million in Public Assistance (PA) grants for damages resulting from an earthquake and aftershocks that occurred from August 24 through September 7, 2014. FEMA's PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

OIG reports conducting this audit early in the PA process for Napa State Hospital—one of California's five state mental hospitals—to identify areas in which the Hospital may need additional technical assistance or monitoring to ensure compliance with Federal regulations and FEMA guidelines. In addition, by undergoing an audit early in the grant cycle, grant recipients have the opportunity to correct noncompliance before they spend the majority of their grant funding. It also allows them the opportunity to supplement deficient documentation or locate missing records before too much time elapses. OIG reports assessing the policies, procedures, and business practices the Hospital used to account for and expend FEMA grant funds; and reviewed more than \$1 million in disaster-related labor, materials, equipment, and contract costs.

OIG finds that Napa State Hospital must improve its policies, procedures, and business practices to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. Specifically, the Hospital did not properly document and adequately account for project costs; comply with its overtime policy; and comply with Federal requirements for insurance. Additionally, OIG finds that FEMA's and the Hospital's damage estimates varied widely: FEMA, the State of California, and the Hospital must immediately collaborate to identify the causes of these

differences to avoid jeopardizing the Hospital's funding. OIG also finds that the State of California, as FEMA's grantee, faces responsibility for ensuring that the Hospital becomes aware of--and complies with--Federal regulations and FEMA guidelines related to PA grants.

### ***Management Alert—Concerns with Potential Duplicate or Ineligible FEMA Public Assistance Funding for Facilities Damaged by Back-to-Back Disasters***

**Number:** [OIG-18-14](#)

**Date:** November 14, 2017

**Summary:** OIG sends DHS leaders *Management Alerts* in cases when OIG concludes that information collected in the course of audit work requires leaders' immediate attention. In this *Alert*, OIG reports learning over the weeks following disaster declarations related to Hurricanes Harvey, Irma, and Maria, that many of the designated disaster areas for two of the storms — Hurricanes Harvey and Irma--overlapped disaster areas declared for earlier incidents in 2017 and 2016.

Specifically, OIG finds 13 major disaster declarations for areas in Florida, Georgia, Louisiana, South Carolina, and Texas that overlapped some of the same areas affected by Hurricanes Harvey and Irma. As of November 2, 2017, FEMA had obligated an estimated \$310.3 million of Public Assistance (PA) funding to cover repair or replacement costs to facilities that sustained damage under the 13 disaster declarations preceding those for Harvey and Irma. FEMA's PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

FEMA policy includes a requirement that applicants generally must identify and report all of disaster-related damage, emergency work activities, and debris quantities to FEMA within 60 days of the kickoff meeting related to a particular disaster incident. Therefore, any damages related to a previously-declared incident that the applicant did not report within the 60-day timeframe would not qualify for funding under grants made to address newer disaster incidents.

OIG finds that many of the same applicants from the 2017 hurricanes may suffered from the effects of previous disaster incident(s): With this in mind, OIG concludes that FEMA must ensure that the Agency has instituted effective controls to properly identify and segregate damages from different disaster incidents, and that the controls minimize the risk of paying for duplicate or ineligible repair damages to a facility.

### ***FEMA and CBP Oversight of Operation Stonegarden Program Needs Improvement***

**Number:** [OIG-18-13](#)

**Date:** November 9, 2017

**Summary:** FEMA makes grants under Operation Stonegarden to improve cooperation between DHS components and their state-and-local-government counterparts, particularly for the coordination of law enforcement border security.

OIG finds that FEMA does not meet the agency's monitoring responsibilities because FEMA does not have accurate financial data to identify grantees that require additional monitoring. OIG also finds that FEMA has included just 4 of 79 Operation Stonegarden awards made during fiscal years

2011–14 in financial monitoring reviews required under the Homeland Security Act of 2002, as amended.

OIG also finds that FEMA and CBP have not issued adequate guidance or conducted thorough reviews of proposed spending on Operation Stonegarden. As a result, in the course of the above-referenced reviews, OIG notes that FEMA and CBP approved about \$15 million in costs without addressing the risk of *supplantation*. This term describes cases when a grantee uses Federal funds for an activity in place of its own funds, specifically because Federal funds are available to fund that same activity. In particular, FEMA and CBP approved more than \$14.6 million in overtime costs--72 percent of those audited and more than \$390,500 in equipment costs--4 percent of those audited-- without addressing the supplantation risk.

OIG finally notes that FEMA and CBP have not collected reliable program data or developed measures to demonstrate program performance resulting from the use of more than \$531.5 million awarded under Operation Stonegarden since FY 2008.

### ***Special Report: Lessons Learned from Previous Audit Reports on Insurance Under the Public Assistance Program***

**Number:** [OIG-18-12](#)

**Date:** November 7, 2017

**Summary:** OIG directs this special report to address challenges that FEMA, the States of Texas and Florida, U.S. territories in the Caribbean, and the State of California may face when managing insurance under the Public Assistance (PA) program in the wake of Hurricanes Harvey, Irma, and Maria, and the October 2017 California wildfires. This report describes lessons learned from findings and recommendations contained in 37 Disaster Assistance grant audit reports issued from fiscal years 2013–2017. FEMA’s PA program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

OIG notes that the above-referenced reports included 40 recommendations for FEMA to address deficiencies or errors related to the PA program’s insurance process, totaling \$322.1 million in questioned costs. Major recurring challenges included duplicate benefits, in which subrecipients claimed FEMA reimbursement for costs that were covered by insurance; insufficient insurance, in which subrecipients did not obtain and maintain sufficient insurance coverage required as a condition for receiving Federal disaster assistance; and misapplied or misallocated insurance proceeds, in which subrecipients received insurance proceeds, and misapplied or did not allocate those proceeds to FEMA projects.

### ***Management Alert—FEMA Should Recover \$6.2 Million in Public Assistance Funds for Disaster Repairs That Are Not the Legal Responsibility of Richland County, North Dakota***

**Number:** [OIG-18-09](#)

**Date:** October 30, 2017

**Summary:** OIG sends DHS leaders *Management Alerts* in cases when OIG concludes that information collected in the course of audit work requires leaders’ immediate attention. This

*Management Alert* flows from OIG's audit of \$7.0 million in Public Assistance funds awarded through the North Dakota Department of Emergency Services to Richland County, ND to fund recovery work following severe storms and flooding that had occurred 2009-13. FEMA's Public Assistance program provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration.

OIG sent this Alert for FEMA leaders' urgent attention because FEMA Region VIII has begun to review and close projects funded under these grants—and because of a presidentially-declared disaster underway for North Dakota at the time of this *Alert*, raising the question of eligibility of disaster-related work in ongoing and future disasters in North Dakota.

OIG staff found that under North Dakota law, formally-organized townships in the state have legal responsibility for construction and maintenance of roads within their jurisdictions. As a result, Richland County does not have legal responsibility for road construction or maintenance, and so Richland County does not qualify under Federal regulations (44 CFR 206.223) to receive approximately \$6.2 million in funding designated to repair damaged roads located in the County, despite the County's functioning as a "pass-through" entity for purposes of these grants.

OIG recommends that FEMA determine whether a legal basis exists for the County to act as the subgrantee for townships; if not, to disallow the costs; and to require that future written agreements address this issue.

***FEMA and California Need to Assist CalRecycle, a California State Agency, to Improve its Accounting of \$230 Million in Disaster Costs***

**Number:** [OIG-18-08](#)

**Date:** October 30, 2017

**Summary:** FEMA anticipates total awards of about \$230 million to the California Department of Resources Recycling and Recovery (CalRecycle) for removal of debris resulting from 2015 wildfires. FEMA directs these grants to CalRecycle under the Agency's Public Assistance program, which provides Federal disaster relief to state-and-local-government and certain private non-profit organizations following a Presidential disaster declaration. OIG finds that CalRecycle has instituted policies and procedures consistent with Federal requirements for both procurements and project-by-project cost-accounting rules.

OIG also finds that CalRecycle did not follow these policies, procedures, and practices when it accounted for and expended \$142.7 million in grant funding and \$56.2 million in cost overruns. CalRecycle also expects to incur an additional \$31 million for a total of \$87.2 million in cost overruns. Specifically, CalRecycle did not adequately document costs, account for costs on a residential lot basis, monitor contractors, or clearly separate eligible from ineligible work. Although FEMA and the State of California have consistently provided CalRecycle with adequate guidance, CalRecycle's deficiencies in accounting for project costs occurred primarily because CalRecycle did not follow most Federal regulations or FEMA guidelines for documenting costs. Finally, OIG notes that FEMA's state- and local-level partners must collect all insurance recoveries from private-property owners, identifying and reporting all insurance recoveries so FEMA can deduct the correct amount of insurance proceeds from the Public Assistance grant awarded to CalRecycle.

### ***Summary and Key Findings of Fiscal Year 2016 FEMA Disaster Grant and Program Audits***

**Number:** [OIG-18-06](#)

**Date:** October 27, 2017

**Summary:** In Fiscal Year 2016, OIG issued 46 grant-audit reports and 12 program-audit reports concerning \$686 million of FEMA grants, programs, and other activities funded from the Disaster Relief Fund. The present report summarizes the results of OIG's disaster-related audits, informing FEMA about significant and systematic issues of non-compliance and program inefficiencies warranting FEMA leadership's attention—for example, improper contract costs and ineligible and unsupported expenditures.

OIG reports questions about \$155.6 million in pertinent costs--almost a quarter of the \$686 million audited—and has recommended in the above-noted FY16 reports that FEMA disallow these costs as ineligible and unsupported for grant funding. While the present report does not include specific recommendations, OIG concludes that recommendations in the FY16 reports cited could yield as much as \$316 million in monetary benefits, including potential cost avoidance in future disasters.

### ***Verification Review of District of Columbia's Management of Homeland Security Grant Program Awards for Fiscal Years 2010 through 2012***

**Number:** [OIG-18-02](#)

**Date:** October 10, 2017

**Summary:** A previous OIG report (OIG-14-147) highlighted concerns regarding the District of Columbia Homeland Security Emergency Management Agency's (HSEMA) monitoring and oversight of grants awarded 2010-12 under FEMA's Homeland Security Grant Program (HSGP). The present report evaluates whether HSEMA adequately implemented OIG recommendations in the 2014 report, and whether OIG's recommendations achieved the intended results. FEMA's HSGP encompasses FEMA grants made under 1) the State Homeland Security Program (SHSP); 2) the Urban Areas Security Initiative (UASI); and 3) Operation Stonegarden, intended to improve cooperation and coordination between DHS components and their state-and-local-government counterparts.

OIG determines that DC HSEMA has resolved previously-identified issues and has improved monitoring and oversight of SHSP and UASI grants. OIG confirms that DC HSEMA has submitted a FEMA-required report on the District's 2016 Threat and Hazard Identification and Risk Assessment. FEMA and local partners use THIRAs to prioritize and direct programmatic activities. OIG concludes that DC HSEMA's implementation of previous OIG recommendations has achieved the intended results of enhancing the management, performance, and oversight of grant-funded programs.

### ***Hazard Mitigation Grant Funds Awarded to MEMA for the Mississippi Coastal Retrofit Program***

**Number:** [OIG-18-01](#)

**Date:** October 10, 2017

**Summary:** In May 2011, Mississippi’s Emergency Management Agency (MEMA) received a \$29.9 million Hazard Mitigation grant from FEMA. MEMA directed this grant to the State’s Coastal Retrofit Program, intended to help roughly 2,000 homeowners reinforce their homes against damage from wind in future disasters. OIG finds that FEMA did not ensure that MEMA provided proper oversight of this \$29.9 million grant, nor that MEMA followed either Federal regulations or FEMA guidelines when accounting for grant funds. OIG concludes that as a result, FEMA has no assurance that MEMA properly accounted or expended these Federal funds.

In addition, OIG finds that MEMA, while not subject to Federal rules regarding contracting, did not follow certain Federal contracting criteria when contracting for goods and services under the FEMA grant in question. OIG notes that auditors have designated such guidance—concerning disadvantaged businesses and contract monitoring, for example—as best practices for contract management, and recommends that MEMA, as a FEMA grantee, should strongly consider employing these practices in the future.

## **Federal Law Enforcement Training Centers (FLETC)**

### **DHS OIG Reports**

#### ***Special Report: Certain Findings Relating to the OIG’s Investigation of Allegations Involving FLETC Senior Officials***

**Number:** [OIG-18-65](#)

**Date:** May 22, 2019

**Summary:** Beginning in early January 2016, DHS OIG received dozens of allegations involving a variety of issues at the Federal Law Enforcement Training Centers (FLETC) facility in Glynco, Georgia. Following extensive investigation by DHS OIG investigators, the DHS OIG Special Reviews Group reviewed and evaluated the findings of the investigative team and identified certain findings that warranted public reporting.

DHS OIG’s investigative findings indicate that some of FLETC’s senior managers, including former Director Connie Patrick, failed to exercise the judgment, stewardship, and leadership expected of DHS senior officials. Two specific issues involving former Director Patrick’s travel and the hiring of her husband at FLETC exemplify the broader issues uncovered by DHS OIG’s investigation. DHS OIG made four recommendations aimed at ensuring that all FLETC employees, including those who comprise the senior leadership, comply with the policies, procedures, and ethical standards that govern the conduct of all DHS employees. The Department concurred with all four recommendations and described the corrective actions it has taken and plans to take to address the issues identified in the report.

### ***Management Alert – Potential Safety Issue at the FLETC Artesia Warehouse***

**Number:** [OIG-18-31](#)

**Date:** December 8, 2017

**Summary:** This Alert is part of an ongoing audit to review training strategies and capabilities for U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement. Because of a potential safety concern, we believe it is important to inform you now about an issue identified at the Border Patrol Academy, located at the Federal Law Enforcement Training Center (FLETC) in Artesia, New Mexico.

During our August 2017 site visit to the FLETC Artesia Training Center, we identified a potential safety issue at a warehouse, Building 13. The Border Patrol Academy had been using the warehouse to train new hires on search and conveyance.

In 2009, a vehicle from an adjacent driving course struck the warehouse. The collision left a hole in the metal siding of the warehouse and damaged one of the supporting columns, bending it and shearing it off at the building foundation, as well as damaging the column's attached roof beam. FLETC officials could not provide documentation to support that an engineering evaluation was conducted to determine whether the accident affected the integrity of the warehouse structure. Border Patrol Academy officials also expressed safety concerns about using the warehouse to train new hires. Continuing to use the warehouse for training and other purposes without an independent engineering or structural safety evaluation may increase the safety risk for trainees and staff. Additionally, continuing to use the driving course adjacent to the warehouse without evaluating the need for safety barriers increases the risk of injury to people and damage to property.

## **Immigration and Customs Enforcement (ICE)**

### **GAO Reports**

#### ***Border Security: Actions Needed to Strengthen Performance Management and Planning for Expansion of DHS's Visa Security Program [Reissued with Revisions Mar. 29, 2018]***

**Number:** [GAO-18-314](#)

**Date:** 3/27/2018

**Summary:** The Department of Homeland Security's (DHS) U.S. Immigration and Customs Enforcement (ICE) manages the Visa Security Program (VSP), which provides an additional layer of review to the visa adjudication process; however, VSP agents are not consistently providing required training to consular officers. ICE increased the percentage of VSP posts providing quarterly training from 30 percent in fiscal year 2014 to 79 percent in fiscal year 2016. However, some trainings are not targeted to the specific post and do not address identified threats to the visa process, as required. GAO also found ICE developed objectives and performance measures for VSP, but its measures are not outcome-based and limit the agency's ability to assess the effectiveness of VSP. GAO made four recommendations to this report.

***Criminal Alien Statistics: Information on Incarcerations, Arrests, Convictions, Costs, and Removals*****Number:** [GAO-18-433](#)**Date:** 8/16/2018

**Summary:** GAO found that from fiscal years 2011 through 2016, the criminal alien proportion of the total estimated federal inmate population generally decreased, from about 25 percent to 21 percent (as shown in the figure below). During this period, the estimated number of criminal aliens incarcerated in federal prisons decreased from about 50,400 to about 39,500, or 22 percent. Ninety-one percent of these criminal aliens were citizens of one of six countries, including Mexico, Honduras, El Salvador, Dominican Republic, Colombia, and Guatemala. This report addresses, among other things, the (1) number and nationality of incarcerated criminal aliens, (2) number of criminal alien arrests and convictions, (3) estimated costs associated with incarcerating criminal aliens, and (4) experiences of criminal aliens. GAO made no recommendations to this report.

**DHS OIG Reports*****Management Alert - Issues Requiring Action at the Adelanto ICE Processing Center in Adelanto, California*****Number:** [OIG-18-86](#)**Date:** 9/27/2018

**Summary:** During our May 2018 unannounced inspection of the U.S. Immigration and Customs Enforcement (ICE) Processing Center in Adelanto, California, DHS OIG identified a number of serious issues that violate ICE's 2011 Performance-Based National Detention Standards and pose significant health and safety risks at the facility. Specifically, violations related to nooses in detainee cells, improper and overly restrictive segregation, and untimely and inadequate detainee medical care. DHS OIG recommended that ICE conduct a full review of the Adelanto ICE Processing Center and GEO Group, Inc.'s management of the center immediately to ensure compliance with ICE's 2011 *Performance-Based National Detention Standards*.

***Lack of Planning Hinders Effective Oversight and Management of ICE's Expanding 287(g) Program*****Number:** [OIG-18-77](#)**Date:** 9/19/2018

**Summary:** Under the 287(g) program, U.S. Immigration and Customs Enforcement (ICE) delegates authority to state and local law enforcement agencies to help ICE in its immigration enforcement mission in their jurisdictions. In the 14 months following the issuance of the January 2017 *Executive Order: Border Security and Immigration Enforcement Improvements*, the number of law enforcement agencies participating in the 287(g) program rose from 36 to 76. DHS OIG found that ICE approved the 40 additional applicants without planning for a corresponding increase in program management staffing, determining how to promptly deliver needed information technology (IT) equipment to participants, or ensuring participants are fully trained. Approving all new participants without adequate planning has hindered ICE's oversight and management of the 287(g) program and may be affecting participating agencies' ability to assist

ICE in enforcing immigration laws and identifying removable aliens. DHS OIG made four recommendations to this report.

### ***ICE's Inspections and Monitoring of Detention Facilities Do Not Lead to Sustained Compliance or Systemic Improvements***

**Number:** [OIG-18-67](#)

**Date:** 6/26/2018

**Summary:** U.S. Immigration and Customs Enforcement (ICE) inspects and monitors just over 200 detention facilities where removable aliens are held. ICE uses two inspection types to examine detention conditions in more than 200 detention facilities. ICE contracts with a private company and also relies on its Office of Detention Oversight for inspections. ICE also uses an onsite monitoring program. Yet, neither the inspections nor the onsite monitoring ensure consistent compliance with detention standards, nor do they promote comprehensive deficiency corrections. DHS OIG made five recommendations to this report.

### ***Immigration and Customs Enforcement Did Not Follow Federal Procurement Guidelines When Contracting for Detention Services***

**Number:** [OIG-18-53](#)

**Date:** 2/21/2018

**Summary:** U.S. Immigration and Customs Enforcement (ICE) is responsible for the detention of removable aliens. ICE commonly uses a type of agreement called an IGSA to reserve space at detention facilities owned or operated by state or local governments. In September 2014, ICE improperly modified an existing IGSA with the City of Eloy (Eloy) in Arizona to establish the 2,400-bed South Texas Family Residential Center in Dilley, Texas, more than 900 miles away. DHS OIG found that ICE's policies and procedures for negotiating, executing, and modifying IGSA are insufficient and lack specific guidance for the appropriate use of IGSA. In addition, DHS OIG found that ICE may have overpaid for detention services at the South Texas Family Residential Center, as well as other detention facilities. Moreover, ICE has no assurance that it executed detention center contracts in the best interest of the Federal Government, taxpayers, or detainees. DHS OIG made two recommendations to this report.

### ***Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2017 Detailed Accounting Submission for Drug Control Funds***

**Number:** [OIG-18-46](#)

**Date:** 1/30/2018

**Summary:** The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, requires National Drug Control Program agencies to submit a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY). DHS OIG is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report. DHS OIG issued an Independent Accountants' Report on U.S. Immigration and Customs Enforcement's (ICE) Detailed Accounting Submission and found that it was in compliance with the criteria in the ONDCP Circular. No recommendations were made.

***Review of U.S. Immigration and Customs Enforcement's Fiscal Year 2017 Drug Control Performance Summary Report*****Number:** [OIG-18-45](#)**Date:** 1/30/2018

**Summary:** The Office of National Drug Control Policy's (ONDCP) Circular, *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (Circular), requires National Drug Control Program agencies to submit a detailed accounting of all funds expended for National Drug Control Program activities during the previous fiscal year (FY). DHS OIG is required to conduct a review of the agency's submission and provide a conclusion about the reliability of each assertion in the report. DHS OIG issued an Independent Accountants' Report on the U.S. Immigration and Custom Enforcement's (ICE) FY2017 Drug Control Performance Summary Report and found that it was in compliance with the criteria in the ONDCP Circular. No recommendations were made

***Management Alert - ICE's Training Model Needs Further Evaluation*****Number:** [OIG-18-42](#)**Date:** 1/25/2018

**Summary:** U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI), and Enforcement and Removal Operations (ERO) leaders are proposing to reorganize and decentralize basic and advanced ICE training programs 6 months after ICE created a separate training office and merged its training programs into a centralized model. HSI and ERO leaders could not provide justification and their views on training conflict with the centralized training model approach. Without a thorough analysis, efforts to decentralize aspects of ICE training may prove counterproductive to benefits ICE previously identified with the centralized training model analysis. DHS OIG recommend that the ICE independently assess, in advance of any decentralization, the agency's training needs and requirements to provide an objective analysis on ICE's training approach.

***ICE Faces Challenges to Screen Aliens Who May Be Known or Suspected Terrorists (Redacted)*****Number:** [OIG-18-36](#)**Date:** 1/5/2018

**Summary:** ICE Enforcement and Removal Operations (ERO) faces challenges in implementing the Known or Suspected Terrorist Encounter Protocol (KSTEP) screening process, which is used to identify aliens who may be known or suspected terrorists. Although ERO uses KSTEP to screen all aliens who are in ICE custody, ERO policy does not require continued screening of the approximately 2.37 million aliens when released and under ICE supervision. DHS OIG found 40 of 142 ERO case files of detained aliens identified as known or suspected terrorists during fiscal years 2013–15. DHS OIG also found the majority of ERO offices did not have access to Department of Homeland Security classified networks at their locations to communicate about derogatory information related to known or suspected terrorists. Furthermore, some local law enforcement agencies do not cooperate with ICE, which prevents ERO from screening many other criminal aliens. DHS OIG made four recommendations to this report.

***Concerns About ICE Detainee Treatment and Care at Detention Facilities*****Number:** [OIG-18-32](#)**Date:** 12/11/2017

**Summary:** DHS OIG conducted unannounced inspections of five U.S. Immigration and Customs Enforcement (ICE) detention facilities to evaluate their compliance with ICE detention standards. DHS OIG identified problems that undermine the protection of detainees' rights, their humane treatment, and the provision of a safe and healthy environment. DHS OIG recommend that ICE needs to improve its oversight of detention facility management and operations.

***U.S. Immigration and Customs Enforcement's Award of the Family Case Management Program Contract*****Number:** [OIG-18-22](#)**Date:** 11/30/2017

**Summary:** Family Case Management Program (FCMP) is an alternative to detention that uses case managers to ensure participants comply with their release conditions, such as attending court hearings, while allowing them to remain in their community as they move through immigration proceedings. In September 2015, ICE awarded the first contracts for case management services in five cities to GEO Care, LLC, a subsidiary of The GEO Group, Inc. DHS OIG determined that ICE complied with Federal requirements for open competition; evaluated each vendor's proposal based on technical capabilities, past performance, and price; and supported its determination that GEO Care's proposals represented the best value for the Government. No recommendations were made to this report.

***DHS Needs a More Unified Approach to Immigration Enforcement and Administration*****Number:** [OIG-18-07](#)**Date:** 10/30/2017

**Summary:** U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, and U.S. Citizenship and Immigration Services, continue to face challenges with emerging immigration enforcement and administration activities. DHS OIG identified issues related to mission allocation and expenditure comparisons, the affirmative asylum application process, and the Department's struggle to understand immigration outcomes and decisions. DHS OIG also identified component coordination difficulties pertaining to the availability of bed space, language services, and processing aliens. DHS OIG recommended that DHS establish a formal department-level group to facilitate long-term solutions for overarching component immigration enforcement and administration challenges and improve efficiencies.

## Science and Technology (S&T)

### DHS OIG Reports

#### ***S&T Has Taken Steps to Address Insider Threats, But Management Challenges Remain***

**Number:** [OIG-18-89-UNSUM](#)

**Date:** September 28, 2018

**Summary:**

The Science and Technology (S&T) Directorate is the primary research arm of the Department of Homeland Security (DHS). Its mission is to strengthen the Nation's security and resiliency by providing knowledge products and innovative solutions to support DHS mission operations. Specifically, Congress created S&T in 2003 to conduct basic and applied research, development, demonstration, testing, and evaluation activities relevant to any or all elements of the Department. S&T oversees laboratories where scientists perform mission-critical research on chemical and biological threats, radiological and nuclear detection, animal diseases, transportation security, and explosives trace identification S&T employees, contractors, and business partners—especially those with special or elevated privileges—can potentially use their inside knowledge and access to exploit vulnerabilities and cause harm to mission-critical systems and operations. Between January 2017 and June 2017, we conducted a review of S&T's insider threat program. Our objective was to determine the effectiveness of steps S&T has taken to protect information technology assets and data from potential unauthorized access, disclosure, or misuse by trusted insiders. Our report contains nine recommendations that, if implemented, should strengthen S&T's management of insider threat risks. The Department concurred with all of the recommendations.

## Transportation Security Administration (TSA)

### GAO Reports

#### ***Basic Training Program for Transportation Security Officers Would Benefit from Performance Goals and Measures***

**Number:** [GAO-18-552](#)

**Date:** 7/26/2018

**Summary:** In 2015 and 2017, the Department of Homeland Security Inspector General raised questions about the effectiveness of checkpoint screening, which prompted concerns about training. In an effort to provide efficiencies to the delivery of new-hire training for TSOs and to enhance the professionalism and morale of newly hired screeners, the Transportation Security Administration (TSA) then established the Transportation Security Officer (TSO) Basic Training program at the TSA Academy at the Federal Law Enforcement Training Centers (FLETC) in Glynco, Georgia.

Since 2016, TSO Basic Training consisted of an intensive two-week course at the TSA Academy located at FLETC. While TSA reported expected benefits of TSO Basic Training, it has not identified specific goals that the program is expected to achieve, nor has it developed applicable

performance measures to evaluate progress toward goals, as called for by leading management practices for training evaluation. GAO recommended that TSA establish specific goals and performance measures for the TSO Basic Training program.

### ***Actions Needed to Better Identify and Track U.S.-Bound Public Charter Operations from Cuba***

**Number:** [GAO-18-526](#)

**Date:** 7/12/2018

**Summary:** In 2016, as part of a shift in U.S. policy toward Cuba, air carriers resumed scheduled commercial flights between the U.S. and Cuba, a route previously only open to public and private charter carrier operations. The Transportation Security Administration (TSA), the agency responsible for securing the nation's civil aviation system, assessed Cuban airports and inspected air carriers operating U.S.-bound flights to ensure they have effective security measures in place.

However, during fiscal years 2012 through 2017, GAO found that TSA did not perform all the required inspections of air carriers operating U.S.-bound public charter flights from Cuba. Of the inspections not conducted, over half were due to TSA's inability to identify or reliably track U.S.-bound public charter operations from Cuba. GAO recommended that TSA improve its ability to identify all public charters requiring inspection in Cuba and develop and implement a tool that more reliably tracks public charter operations between the United States and Cuba.

### ***After Oversight Lapses, Compliance with Policy Governing Special Authority Has Been Strengthened***

**Number:** [GAO-18-172](#)

**Date:** 12/21/2017

**Summary:** The Transportation Security Administration (TSA) has special authority for using other transaction agreements (OTA), which are not subject to certain federal contract laws and requirements. These agreements, which are neither traditional contracts nor grants, were primarily used to reimburse airports and law enforcement agencies for the costs associated with TSA security programs. OTAs provide flexibility to help meet mission needs, but potentially carry the risk of reduced accountability and transparency. During fiscal years 2012 through 2016, TSA awarded at least 1,039 OTAs and obligated at least \$1.4 billion on them.

In 2015, TSA identified significant gaps in OTA file documentation and data reported in the Federal Procurement Data System-Next Generation. The Agency took immediate action to address these deficiencies through policy updates, additional training for contracting officers, monthly data verification, and compliance through quarterly reviews. These collective actions sufficiently addressed the prior lapses in oversight, resulting in improved compliance. GAO did not make additional recommendations.

***Actions Needed to Better Identify and Track U.S.-Bound Public Charter Operations from Cuba******Surface Transportation Inspector Activities Should Align More Closely With Identified Risks*****Number:** [GAO-18-180](#)**Date:** 12/14/2017

**Summary:** The global terrorist threat to surface transportation increased in recent years, as demonstrated by the 2017 London vehicle attacks and a 2016 thwarted attack on mass transit in the New York area. This prompted GAO to review the Transportation Security Administration's (TSA) surface inspector activities and assess (1) how TSA surface inspectors implement the agency's surface transportation security mission, and (2) the extent to which TSA has used a risk-based approach to prioritize and implement surface inspector activities.

TSA's surface transportation security inspectors—known as surface inspectors—conduct a variety of activities to implement the agency's surface security mission to include both regulatory inspections and non-regulatory assessments and assistance. During its assessment of activities from fiscal year 2013 through March 24, 2017, GAO found limitations in TSA's data system that caused surface inspectors to provide incomplete information regarding time spent on inspection activities. GAO also discovered that TSA did not incorporate risk assessment results when planning and monitoring activities, which lead to more time spent on lowest risk surface transportation modes.

In fiscal year 2017, TSA fully implemented a new risk mitigation program—Risk Mitigation Activities for Surface Transportation (RMAST)—intended to focus time and resources on high-risk surface transportation entities and locations. However, GAO found that TSA has not identified or prioritized these high-risk entities and locations or defined the RMAST program's objectives and associated activities in a measurable and clear way. GAO's four recommendations specifically asked TSA to (1) address the limitations in its data system, (2) ensure inspector activities more closely align with the results of risk assessments, (3) identify and prioritize entities and locations for its risk mitigation program, and (4) define measurable and clear objectives for the program.

***TSA Strengthened Foreign Airport Assessments and Air Carrier Inspections, but Could Improve Analysis to Better Address Deficiencies*****Number:** [GAO-18-178](#)**Date:** 12/4/2017

**Summary:** The Transportation Security Administration (TSA) has taken steps to enhance its foreign airport assessments and air carrier inspections since 2011 however, GAO found that TSA's database for tracking the resolution status of security deficiencies did not have comprehensive data on security deficiencies' root causes and corrective actions.

During fiscal years 2012 through 2016, TSA implemented targeted foreign airport assessments in locations where risk is high and developed the Global Risk Analysis and Decision Support System to improve data analysis. The Agency also strengthen their relationship with the European Commission to gain better access and understanding of vulnerabilities in European airports. Despite these improvements, GAO still recommends that the Agency capture and more specifically

categorize data on the root causes of security deficiencies that it identifies and corrective actions. By doing so, TSA will be able to strengthen their analysis and improve decision making.

### ***TSA Modernization: Use of Sound Program Management and Oversight Practices Is Needed to Avoid Repeating Past Problems***

**Number:** [GAO-18-46](#)

**Date:** 10/17/2017

**Summary:** In 2008, the Transportation Security Administration (TSA) initiated the Technology Infrastructure Modernization (TIM) program to enhance the sophistication of its security threat assessments and to improve the capacity of its supporting systems. However, the program experienced significant cost and schedule overruns, and performance issues, and was suspended in January 2015 while TSA established a new strategy.

In September 2016, TSA provided an updated cost estimate and new implementation plan that emphasized using Agile software development. What GAO discovered however, was that the program only fully implemented two of six leading practices necessary to ensure successful Agile adoption. In order to deliver a quality system that strengthens and enhances the sophistication of TSA's security threat assessments and credentialing programs, GAO provided a total of 14 recommendations (11 for TSA and 3 for DHS) that address the need for management oversight, specific requirements, and performance accountability.

## **DHS OIG Reports**

### ***FAMS Needs to Demonstrate How Ground-Based Assignments Contribute to TSA's Mission***

**Number:** [OIG-18-70](#)

**Date:** 7/24/2018

**Summary:** The Federal Air Marshal Service (FAMS) contributes to the Transportation Security Administration's (TSA) layered approach to security. Their role is intended to detect, deter, and defeat criminal, terrorist, and hostile activities that target our Nation's transportation systems. FAMS is primarily known for deploying Federal air marshals on passenger flights; however, FAMS also conducts numerous ground-based activities in support of its overall mission, including Visible Intermodal Prevention and Response (VIPR) operations.

The Department of Homeland Security's Office of Inspector General (OIG) determined that FAMS' contributions to TSA's layered approach to security remained unclear. The absence of performance measures tied to strategic initiatives and most ground-based activities; as well as the lack of detailed accounting of funds made it difficult to assess the program's effectiveness and efficiency in maximizing its resources. The OIG provided two recommendations: develop performance measures for strategic initiatives and VIPR operations; and develop a method for tracking FAMS funding by operations.

### ***The TSA SSI Program Office's Identification and Redaction of Sensitive Security Information***

**Number:** [OIG-18-50](#)

**Date:** 2/8/2018

**Summary:** The Transportation Security Administration's (TSA) Sensitive Security Information (SSI) Program office has policies and procedures to identify and redact SSI. Protecting SSI, which can pose a risk to transportation security if released, must be balanced with ensuring transparency.

In May 2016, the House Committee on Homeland Security requested that the Department of Homeland Security's Office of Inspector General (OIG) review the use of the SSI designation, citing concerns that TSA was using it to withhold information from public scrutiny. The OIG reviewed four fiscal years of TSA SSI Program office document data from FY 2014 through FY 2017 and concluded that the (1) its policies and guidance need updating and (2) that its internal control process requires improvement.

The OIG provided TSA with three recommendations specifying the need for consistent quality control procedures and documented justifications. TSA concurred with all recommendations.

### ***TSA's Adjudication Resources are Inadequate to Meet TSA PreCheck Enrollment Goals***

**Number:** [OIG-18-27](#)

**Date:** 12/5/2017

**Summary:** In 2015 and 2016, the Transportation Security Administration (TSA) significantly ramped up its TSA PreCheck marketing campaign. TSA PreCheck allows airport security to focus on high-risk and unknown populations at security checkpoints. The Agency intended to expand the TSA PreCheck population to 25 million air travelers by the end of 2019, at a rate of more than 5 million enrollments per year. TSA's strategy to meet this ambitious goal however, did not include adequate planning and resources for the Adjudication Center, the entity tasked with manually processing about 26 percent of TSA PreCheck Application Program applications.

The Department of Homeland Security's Office of Inspector General (OIG) review was conducted between July 2016 and January 2017. The OIG concluded that the high rate of attrition, combined with the lack of experienced staff put the Adjudication Center at risk of failing to process TSA PreCheck applications efficiently, but also ensuring that only low-risk travelers are approved for the program. The OIG provided TSA with two recommendations specifically mentioning the need to align Adjudication Center resources with TSA's PreCheck enrollments plans and enhancing the caseload assignment and reporting process through automation.

### ***FAMS' Contribution to Aviation Transportation Security is Questionable (Unclassified Summary)***

**Number:** [OIG-18-04](#)

**Date:** 10/24/2017

**Summary:** The Federal Air Marshal Service (FAMS) contributes to the Transportation Security Administration's (TSA's) layered approach to security. The FAMS overall mission is to detect, deter, and defeat criminal, terrorist, and hostile activities that target our Nation's transportation system. FAMS is TSA's only law enforcement layer of in-flight security.

The Department of Homeland Security's Office of Inspector General (OIG) identified limitations with FAMS contributions to aviation security and provided TSA with five recommendations that when implemented, should improve FAMS operations. TSA concurred with three recommendations and did not concur with two recommendations. Details related to FAMS operations and flight coverage presented in the report are classified or designated as Sensitive Security Information.

## **U.S. Citizenship and Immigration Services (USCIS)**

### **GAO Reports**

#### ***Commonwealth of Northern Mariana Islands: Recent Economic Trends and Preliminary Observations on Workforce Data***

**Number:** [GAO-18-373T](#)

**Date:** 2/6/2018

**Summary:** Pub. L. No. 110-229, enacted in 2008, amended the U.S. Commonwealth of the Northern Mariana Islands' (CNMI) covenant to apply federal immigration law to the CNMI after a transition period. The law required the Department of Homeland Security (DHS) to establish a temporary work permit program for foreign workers. DHS is required to decrease the number of permits issued annually, reducing them to zero by the end of the transition period, scheduled for December 31, 2019. This GAO report discusses (1) recent trends in the CNMI economy and (2) preliminary observations about the number of approved CW-1 permits and characteristics of permit holders. No recommendations were made to this report.

### **DHS OIG Reports**

#### ***USCIS' Medical Admissibility Screening Process Needs Improvement***

**Number:** [OIG-18-78](#)

**Date:** 9/21/2018

**Summary:** DHS OIG found that U.S. Citizenship and Immigration Services (USCIS) has inadequate controls for verifying that foreign nationals seeking lawful permanent residence status meet health-related standards for admissibility. First, USCIS is not properly vetting the physicians it designates to conduct required medical examinations of these foreign nationals and has designated

physicians with a history of patient abuse or a criminal record. Second, USCIS Immigration Services Officers are accepting incomplete and inaccurate forms. As a result of these deficiencies, USCIS may be placing foreign nationals at risk of abuse by physicians performing medical examinations and exposing the U.S. population to contagious or dangerous health conditions from foreign nationals erroneously granted lawful permanent resident status. DHS OIG made eight recommendations to this report.

### ***Verification Review: Better Safeguards Are Needed in USCIS Green Card Issuance (OIG-17-11)***

**Number:** [OIG-18-61](#)

**Date:** 4/16/2018

**Summary:** DHS OIG conducted a verification review to determine U.S. Citizenship and Immigration Services' (USCIS) progress in implementing corrective actions to the seven report recommendations in *Better Safeguards Are Needed in USCIS Green Card Issuance*, OIG-17-11, November 16, 2016. DHS OIG found USCIS' corrective actions were adequate, effective, and timely in addressing the recommendations.

### ***USCIS Has Unclear Website Information and Unrealistic Time Goals for Adjudicating Green Card Applications***

**Number:** [OIG-18-58](#)

**Date:** 3/9/2018

**Summary:** U.S. Citizenship and Immigration Services (USCIS) adjudicates applications for immigration benefits, including applications for permanent resident cards, also known as green cards. USCIS regularly posts information on its website about the time it takes field offices to adjudicate green card applications (processing time). Yet, the information is unclear and not helpful to USCIS' customers because it does not reflect the actual amount of time it takes field offices, on average, to complete green card applications. In addition, the actual average time it takes USCIS to complete green card applications has lengthened, and USCIS is not meeting its goal of adjudicating applications in 120 days. DHS OIG found that the time goal is unrealistic, given the number of factors that can slow the process and the importance of continuing to thoroughly vet green card applicants. DHS OIG made two recommendations to this report.

### ***USCIS Has Been Unsuccessful in Automating Naturalization Benefits Delivery***

**Number:** [OIG-18-23](#)

**Date:** 11/30/2017

**Summary:** U.S. Citizenship and Immigration Services' (USCIS) automation of the N-400 *Application for Naturalization* has not been successful. USCIS deployed this capability using Electronic Immigration System (ELIS) in April 2016 to improve processing of approximately 84,000 naturalization applications received each month. However, as before, the ELIS capabilities deployed did not include critical functionality necessary for end-to-end Form N-400 processing. ELIS repeatedly experienced outages and did not always perform as intended. Also, USCIS did not ensure field personnel were adequately trained to use the new system capabilities prior to deployment. DHS OIG made five recommendations to this report.

### ***USCIS Needs a Better Approach to Verify H-1B Visa Participants***

**Number:** [OIG-18-03](#)

**Date:** 10/20/2017

**Summary:** U.S. Citizenship and Immigration Services' (USCIS) site visits provide minimal assurance that H-1B visa, a non-immigrant visa that allows U.S. employers to temporarily employ foreign workers in "specialty occupations" participants are compliant and not engaged in fraudulent activity. USCIS can approve more than 330,000 H-1B petitions each year and, as of April 2017, reported more than 680,000 approved and valid H-1B petitions. DHS OIG found that USCIS site visits does not always ensure the officers are thorough and comprehensive in their approach and does not always take proper action when immigration officers identify potential fraud or noncompliance. USCIS also uses targeted site visits to respond to indicators of fraud; however, DHS OIG found that the agency does not completely track the costs and analyze the results of these visits. DHS OIG made four recommendations to this report.

## **U.S. Secret Service (USSS)**

### **GAO Reports**

### ***Actions Needed to Address U.S. Secret Service Overpayments for Travel Costs***

**Number:** [GAO-18-419](#)

**Date:** 5/30/2028

**Summary:** The U.S. Secret Service's (Secret Service) incurs millions of dollars in travel expenses to provide security during the fast-paced operational tempo of a presidential campaign. In connection with the 2016 presidential campaign, the Secret Service provided protection for four presidential candidates, two vice presidential candidates, and six of the candidates' family members.

The Secret Service's travel expenses during the 2016 presidential campaign totaled approximately \$58 million. Of the \$58 million, \$17.1 million was for reimbursements to the four campaign committees for chartered aircraft flights. Upon review, GAO found that the agency overpaid the campaign committees at least an estimated \$3.9 million when reimbursing them for special agents' seats on charter flights. Secret Service officials misinterpreted a Federal Election Commission regulation, and as a result, did not conduct a price comparison in accordance to their longstanding policy. By the time the erroneous interpretation was discovered, 66 percent of all campaign-related flights with special agents on board were taken. GAO provided a total of five recommendations that specified the need for policy updates and improved quality control activities. Four of these recommendations were already implemented.

## Component Acronyms

Below is the list of DHS Components and their Acronyms.

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AO – Analysis and Operations  
CBP – Customs and Border Protection  
CISA – Cybersecurity and Infrastructure Security Agency  
CWMD – Countering Weapons of Mass Destruction Office  
DMO – Departmental Management and Operations  
FEMA – Federal Emergency Management Agency  
FLETC – Federal Law Enforcement Training Centers  
ICE – Immigration and Customs Enforcement  
OIG – Office of Inspector General  
S&T – Science and Technology Directorate  
TSA – Transportation Security Administration  
USCG – U.S. Coast Guard  
USCIS – U.S. Citizenship and Immigration Services  
USSS – U.S. Secret Service

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Homeland  
Security



Homeland  
Security