



# U.S. Immigration and Customs Enforcement

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STATEMENT

OF

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DEPARTMENT OF HOMELAND SECURITY

REGARDING A HEARING ON

*“EXAMINING CHALLENGES AND WASTED TAXPAYER  
DOLLARS IN MODERNIZING BORDER SECURITY IT SYSTEMS”*

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEE ON OVERSIGHT AND MANAGEMENT EFFICIENCY

February 6, 2014

311 Cannon House Office Building  
Washington, DC

## **Introduction**

Chairman Duncan, Ranking Member Barber, and distinguished members of the Subcommittee:

On behalf of Secretary Johnson and Acting Director Sandweg, thank you for inviting me to appear before you today to discuss efforts of U.S. Immigration and Customs Enforcement (ICE) to improve TECS and the findings of a report released in December 2013 by the Government Accountability Office (GAO) entitled “DHS’s Efforts to Modernize Key Enforcement Systems Could Be Strengthened.”

The U.S. Department of Homeland Security (DHS) and ICE appreciate GAO’s work conducting the review of TECS Modernization and issuing this report, and I am grateful for the opportunity to provide background on ICE TECS Modernization (ICE TECS MOD) and outline the actions we have taken relating to GAO’s findings and our continued collaboration with U.S. Customs and Border Protection (CBP) to address the recommendations offered by GAO.

### **History of TECS and Modernization Efforts**

TECS is a mainframe system that is the primary system of both ICE and CBP, initially developed in the 1980s. TECS was previously known as the Treasury Enforcement Communications System when it was managed by the former U.S. Customs Service (which previously encompassed portions of both CBP and ICE functions). The system, which is currently managed by CBP, supports primary and secondary inspection processes for CBP and federal agencies vetting for law enforcement and immigration benefits purposes. TECS also supports ICE’s investigative case management including documenting subjects of criminal investigation in the form of records and reports, forming the basis for criminal prosecutions.

The TECS modernization effort (TECS MOD) is a coordinated initiative by ICE and CBP to replace our respective portions of legacy TECS.

Currently, our agencies are engaged in efforts to modernize the system into products that fit both specific and mutual needs and to migrate the legacy TECS system from the outdated CBP mainframe computer system (ICE TECS MOD and CBP TECS MOD programs, respectively). ICE's initial goal was to relocate the system from the prohibitively expensive mainframe by September 30, 2015 by developing a comprehensive law enforcement investigative case management system that will support the investigative mission of ICE's Homeland Security Investigations (HSI) and its shared mission with CBP to protect the homeland.

Subsequent to the award of a best value, cost-plus contract, ICE concluded, in collaboration with the vendor, that the core technical architecture was technically insufficient in June 2013. In an effort to independently validate our concerns, ICE commissioned a brief Independent Verification and Validation (IV&V) analysis. ICE used the IV&V to conduct an assessment of the system's status and viability. Following an abbreviated examination, the IV&V confirmed that the utilization of existing architecture would not be technically viable to support system needs. The IV&V also indicated that there were significant technical and management process deficiencies that would make meeting the September 30, 2015 deadline highly improbable.

In consideration of the collective conclusions of ICE, the vendor, and the IV&V, it was determined that the ICE TECS MOD program required restructuring in order to ensure accountability and the ability to address deficiencies in technical oversight and requirements management. Accordingly, ICE restructured the program by increasing executive oversight,

establishing integrated project teams and government personnel accountability, identifying alternative technical options, and began the process of identifying a new prime contractor.

### **Prior and Future Funding**

The ICE TECS Modernization Life Cycle Cost Estimate (LCCE) was finalized on September 6, 2011, at \$818 million for all acquisition and sustainment costs, assuming a life cycle for the program extending to 2024. Prior to the award of the Design/Development contract in September 2011, the program received \$55.4 million in automation modernization funding and expended \$22 million in support of requirements analysis, data migration and acquisition activities. Between Fiscal Year (FY) 2012 and FY 2013, the program received \$36.9 million in automation modernization funding, expending \$21.2 million on the Design/Development effort that was curtailed in July 2013, and expending \$17.8 million on ancillary contracts including data migration, training and communications and program support. In FY 2014, the program's automation modernization budget is \$23 million. In total, ICE TECS Modernization has received \$115.3 million in funding, and we have expended \$63.9 million to date.

The program is in the process of revising its LCCE to be in line with its future plans for the program, and anticipates the full LCCE to be less than the original \$818 million due in large part to an increased use of commercial, off the shelf products (COTS) that will require less custom development and ongoing support. Once the revised LCCE is complete, the program will be able to adjust future automation modernization funding requests, and account for both funds received but not expended, as well as lower anticipated costs.

## **GAO's Findings and ICE's Response and Actions**

According to GAO, its objective during its review was to determine the scope and status of CBP's and ICE's TECS MOD programs, assess selected program management practices for TECS MOD, and assess the extent to which DHS is executing effective executive oversight and governance of the two TECS MOD programs. In order to accomplish these objectives, GAO reviewed requirement documents, as well as cost and schedule estimates to determine the current scope, completion dates, and life-cycle expenditures. In addition, GAO reviewed risk management and requirement management plans, as well as the meeting minutes of the governance bodies.

The report highlights that ICE's initial efforts were determined to be ineffective, resulting in the need for the program to restart. It is pivotal to note that ICE made the determination itself based on identified risks, schedule slips, and poor quality of interim deliverables, which ultimately led to the final determination that the current technical solution would not be able to support the mission needs of ICE. Based on this determination, ICE took steps to verify this conclusion through an independent third party, as well as improve management oversight. Once ICE confirmed non-viability of the technical solution, we acted immediately to change the direction of the program. Our action included an external evaluation, which predated the GAO report. Upon receipt of this independent evaluation, ICE undertook major course corrections that are in line with those ultimately recommended by GAO.

GAO's findings highlighted the status of ICE's efforts to modernize our portion of legacy TECS, focusing on two key deficiencies: risk management and requirements management. We concur with the three recommendations offered by GAO for executive action directly linked to ICE.

The following are highlights of ICE's responses and actions taken:

### **Risk Management**

GAO recommended that the Secretary of Homeland Security direct the Acting ICE Director to ensure that all significant risks associated with the TECS MOD acquisition are documented in the program's risk and issue inventory—including acquisition risks—and briefed to senior management, as appropriate.

ICE initiated new status reporting methods based on leading practices, providing management with a more immediate picture of program progress. The program has overhauled its reporting structure and established Integrated Project Teams that report status and coordinate dependencies weekly.

In addition to the other programmatic risk changes, we also concur and have adopted the GAO's recommendation to add and track all known risks. For example, the ICE TECS MOD program has documented in the risk inventory a new acquisition risk that accounts for the aggressive timelines associated with the revised program strategy. This risk, as with all identified risks, has been reviewed by the program's Risk Advisory Board and elevated to ICE and DHS senior leadership.

GAO also recommended that the Secretary of Homeland Security direct the Acting ICE Director to ensure that the appropriate individuals revise and implement the TECS MOD program's risk management strategy and guidance to include clear thresholds for when to escalate risks to senior management.

The ICE TECS MOD program currently has a set of conditions that must be met for a risk to be elevated. We are revising our risk threshold to ensure risks are identified and

appropriately raised to leadership in a timelier manner. The program is also identifying detailed activities that will help to mitigate each elevated risk over a period of time. Both the revised risk threshold escalation and the method to mitigate risk are being incorporated into the government oversight process and will be in the scope of work for new contracts for the future ICE TECS MOD solution.

### **Requirements Management**

In addition, GAO recommended that the Secretary of Homeland Security direct the Acting ICE Director to ensure that the newly developed requirements management guidance and recently revised guidance for controlling changes to requirements are fully implemented.

The ICE TECS MOD program has completed a detailed evaluation and a comprehensive analysis of our functional requirements. The program identified and eliminated overly prescriptive, technically outdated, and redundant requirements. This refinement resulted in a reduction in excess of 75 percent of functional requirements without compromising capability. Additionally, the program has validated its new requirements baseline against other federal law enforcement investigative case management programs. ICE has established new guidelines related to requirement management and strict change control processes, which is consistent with GAO's recommendation.

### **Coordination with Key Stakeholders**

Throughout this effort, we have been committed to open and consistent communication with the DHS Office of the Under Secretary for Management. As it became apparent that the technical solution under development would not support the objectives of the program, ICE

increased the frequency of its meetings with DHS to provide more regular and timely reporting of program issues and proposed resolutions. Additionally, ICE notified DHS after learning the program would not meet the revised baseline date of December 2013. The program is currently working with DHS's Office of Program Accountability and Risk Management to establish a new revised program baseline. This baseline will be formally reviewed and approved by DHS per the Acquisition Decision – 102 guidance, before the program can restart development.

In a similar manner, we have maintained ongoing collaboration and coordination with CBP, our key mission partner. CBP serves as a voting member on the ICE Executive Steering Committee (ESC), which is responsible for oversight of the ICE TECS Modernization effort, and ICE serves as a voting member on the corresponding CBP ESC. In addition, both ICE and CBP participate as partners through the coordination of delivery schedules, technical solutions and risk/issue resolution. We recognize that close coordination is vital to the joint success of both programs, and will continue to take the steps necessary to maintain that coordination going forward.

### **Conclusion**

ICE remains committed to working in a coordinated effort with DHS and CBP to remedy any issues that have arisen during our modernization efforts. The ICE TECS MOD effort has taken a variety of steps to ensure that the program not only stays on track, but that there is careful oversight of the acquisition and development process while utilizing independent authorities to assist with validation of our collective efforts. ICE will continue to coordinate with stakeholders as we move forward with efforts to re-baseline the program and restart development work to



become independent of the costly legacy system as soon as a viable modernized system can be deployed.

Thank you again for the opportunity to appear before you today and for your continued support of ICE and its law enforcement mission. I would be pleased to answer any questions.