

**Testimony of Inspector General
John Roth**

**Before the Subcommittee on
Oversight and Management
Efficiency**

Committee on Homeland Security

U.S. House of Representatives

**“Watchdog Recommendations: A
Better Way Ahead to Manage the
Department of Homeland Security”**





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Chairman Perry, Ranking Member Correa, and Members of the Subcommittee, thank you for inviting me here today to discuss our recommendations for improving the Department of Homeland Security (DHS).

Since its establishment, DHS has progressed in addressing challenges to accomplish its mission. However, to fulfill its vital mission of protecting and securing our Nation successfully, the Department must continue to overcome challenges that hinder its efforts. The recommendations discussed below demonstrate our efforts to assist the Department and its components in overcoming the persistent challenges. By addressing these recommendations, DHS can continue to improve effectiveness and efficiency of its operations and reduce waste, fraud, and abuse.

Priorities and Challenges

Homeland Security faces many long-standing challenges, and we at the Office of Inspector General (OIG) have focused our energy on the Department's major management and performance challenges. We have identified six:

- Creating a unified Department;
- Employee morale and engagement;
- Acquisition management;
- Grants management;
- Cybersecurity; and
- Improving management fundamentals.¹

Today, I will focus on the challenges the Department faces in four areas: creating a unified Department, acquisition management, grants management, and management fundamentals, as well as newly arising challenges.

Addressing New Priorities

With a new Administration, the Department will face new responsibilities. We understand the significant investment the Department will be making to satisfy its obligations under the President's Executive Order, *Border Security and Immigration Enforcement Improvements*, and the importance of spending that investment efficiently and effectively. The Department has historically performed very poorly in this area. As many recall, prior efforts to fortify the southwest border, known as SBI-net, were cancelled in 2011 as being too expensive and ineffective. In a pilot program in Arizona, DHS spent about \$1

¹ [Major Management and Performance Challenges Facing the Department of Homeland Security, OIG-17-08 \(November 2016\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

billion to build the system across 53 miles of the state's border before abandoning the initiative.²

Given the risks involved, we will be using a lifecycle approach to audit and monitor the Department's actions to strengthen the physical security of the Nation's southern border. A lifecycle audit approach means that we will be auditing the project throughout its life span, rather than waiting for the project to be completed or partially completed before looking at it. In this way, we have an opportunity to stop waste and mismanagement before the money is spent, rather than simply identifying it after the fact.

Our first report will address lessons learned from the Department's prior Secure Border Initiative and other relevant acquisitions related to securing our borders. We hope to have this report out in the next six weeks. Subsequently, we plan to review U.S. Customs and Border Protection's (CBP) comprehensive study of the security of the southern border that the Executive Order requires be completed within 180 days of the date of the Executive Order. Future audits will address the planning, designing, acquisitions and construction phases of the southern border barrier.

Similarly, the Department will face a number of challenges in executing the President's Executive Orders directing the Department to hire an additional 5,000 Border Patrol Agents and 10,000 Immigration Officers. We recently completed an audit that highlighted numerous bottlenecks in effective hiring. We found that historically DHS components had insufficient staffing in the human resource area and had inadequate systems to track and process applicants. In fiscal year (FY) 2015, it took an average of 282 days (over 9 months) to hire a Border Patrol Agent, measured from the time the job announcement closed to the date the applicant was hired. Other positions likewise encountered significant delays.³

As with the acquisition area, I have initiated the first in a series of audits to further review the Department's human capital strategies and management capabilities to ensure the Department can quickly and effectively hire a highly qualified and diverse workforce. Our first engagement will compile and review open source literature, other government reports, and prior work of our office to help the Department and its components avoid previously identified poor management practices and their negative impacts. Subsequent audits will address the collateral impact hiring 15,000 agents and officers will have not only on other Departmental components, but also on other Federal agencies.

² See, e.g., [Risk Management Advisory for the SBInet Program Initiation, OIG 07-07 \(November 2006\)](#); [Controls Over SBInet Program Cost and Schedule Could Be Improved, OIG-10-96 \(June 2010\)](#); [U.S. Customs and Border Protection's Management of the Purchase and Storage of Steel in Support of the Secure Border Initiative, OIG-12-05 \(November 2011\)](#).

³ [DHS Is Slow to Hire Law Enforcement Personnel, OIG-17-05 \(October 2016\)](#).



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Likewise, as we announced in the beginning of this month, we have begun a review of DHS' implementation of the recent Executive Order, *Protecting the Nation from Foreign Terrorist Entry into the United States*. The review is being initiated in response to congressional requests and whistleblower and hotline complaints. In addition to reviewing the implementation of the Executive Order, we will review DHS' adherence to court orders and allegations of individual misconduct on the part of DHS personnel. If circumstances warrant, we will consider including other issues that may arise during the course of the review. At the culmination of this review, we will provide a final report to Secretary Kelly, the Congress, and the public. We appreciate the cooperation we have received from the Department's components as we conduct this review.

Creating a Unified Department

DHS' primary challenge moving forward is transitioning from an organization of 22 semi-independent components, each conducting its affairs without regard to, and often without knowledge of, other DHS components' programs and operations, to a more cohesive entity focused on the central mission of protecting the homeland. A lack of coordination and unity occurs in all aspects of DHS' programs—planning, programing, budgeting, and execution—and leads to waste and inefficiency.

Our previous audit and inspection reports are replete with examples of the consequences of failing to act as a single entity:

- Our 2013 audit of DHS' H-60 helicopter programs showed that one component did not cooperate with another to realize potential cost savings and other efficiencies. Specifically, CBP was unwilling to coordinate with the Coast Guard to upgrade its H-60 helicopters, even though both components were converting the same helicopters. We estimated potential savings of about \$126 million if the two components had successfully coordinated the conversion of CBP's H-60 helicopters at the Coast Guard's Aviation Logistics Center. A subsequent H-60 Business Case Analysis by DHS' Office of Chief Readiness Support Officer, the Aviation Governing Board, the Coast Guard, and CBP confirmed the cost savings of having the Coast Guard convert the helicopters, but it was too late.⁴
- DHS employs approximately 80,000 Federal law enforcement officers whose positions allow for the use of force as they perform their duties; however, DHS does not have an office responsible for managing and overseeing component use-of-force activities. We discovered that each component varies on their use-of-force activities and DHS has no

⁴ [DHS' H-60 Helicopter Programs \(Revised\), OIG-13-89 \(May 2013\)](#).
www.oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

centralized oversight of use-of-force allegations, trends, training, facilities, and resource challenges faced by field personnel. We recommended that DHS establish a department-level entity to actively oversee and assist with component use-of-force activities, update policies, and improve training.⁵

- Since its formation, DHS has faced challenges in integrating various component training facilities and programs, and does not have adequate oversight of its workforce training. Multiple prior audits have shown DHS does not have reliable training cost data and information to make informed management decisions. During our 2016 audit, we attempted to determine total DHS training costs for FYs 2014 and 2015. When we requested DHS training costs from the DHS Office of the Chief Financial Officer (OCFO), it could not readily provide the data. The OCFO did not have access to components' financial systems; rather, it relied on data calls to provide the training costs and could not validate the data. As a result, we found significant discrepancies between the total amounts reported by DHS. Although DHS has taken steps to improve the reliability of its training data, further action is needed—thus, we recommended that the Under Secretary for Management develop and implement a process to accurately capture and report training information across DHS.⁶
- In January 2016, we issued a report on human trafficking and the visa process. Our audit objectives were to determine how individuals charged or convicted of human trafficking used legal means to bring victims to the United States, and to identify data quality and exchange issues that may hinder efforts to combat human trafficking. In this audit, we compared databases belonging to U.S. Immigration and Customs Enforcement (ICE) and to U.S. Citizenship and Immigration Services (USCIS) and found that ICE and USCIS could improve data quality to facilitate data matching and identification of possible instances of human trafficking. For example, when ICE employees identified a human trafficker, they did not always advise USCIS regarding the victims they identified. In turn, in selected instances where USCIS obtained traffickers' names from the victims, USCIS did not have a process to routinely share this information with ICE. Without concerted DHS efforts to collect and share information, the risk exists that some human traffickers may remain unidentified and free to abuse other individuals.⁷

⁵ [DHS Lacks Oversight of Component use of Force, OIG-17-22 \(January 2017\).](#)

⁶ [DHS' Oversight of Its Workforce Training Needs Improvement, OIG-16-19 \(January 2016\).](#)

⁷ [ICE and USCIS Could Improve Data Quality and Exchange to Help Identify Potential Human Trafficking Cases, OIG-16-17 \(January 2016\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- DHS has taken steps to develop a Departmental Pandemic Workforce Protection Plan (PWPP) intended to protect the workforce during a pandemic event. However, DHS cannot be assured that its preparedness plans can be executed effectively during a pandemic event. For example, DHS did not develop clear requirements for pandemic readiness training, even though the DHS PWPP requires components to train and exercise staff and senior leadership on pandemic readiness at least annually. The Department did not provide details on applicable trainings or the frequency needed to meet this requirement. As a result, seven of the components reviewed did not always include the necessary details in their plans on how pandemic training requirements would be met.⁸

Despite these examples, DHS has made recent progress in tone and substance. In the last three years, DHS leadership has taken steps to forge multiple components into a single organization. New policies and directives have been created to ensure cohesive budget planning and execution, including ensuring a joint requirements process. The Department also has a process to identify and analyze its mission responsibilities and capabilities, with an eye toward understanding how components fit together and how each adds value to the enterprise. A new method for coordinating operations, the Southern Border and Approaches Campaign, was created to try to reduce the silos and redundancy.

However, in our report issued last November describing the Department's major management challenges, we found that this progress has been a result of the force of will of a small team within the Department's leadership, and may not be sustainable. We warned that absent structural changes within the Department to ensure streamlined oversight, communication, responsibility, and accountability—changes that we believed must be enshrined in law—that this progress could be undone.

Fortunately, I am gratified to report that the National Defense Authorization Act for Fiscal Year 2017 establishes within the Department the Office of Strategy, Policy, and Plans.⁹ This Office will lead, conduct, and coordinate the development of the Department's priority policies and will work with each component of the Department in establishing or modifying policies. We believe that the creation of this new office is an important first step toward the structural changes that are needed to create a unified Department.

Acquisition Management

Acquisition management, which is critical to fulfilling all DHS missions, is inherently complex, high risk, and challenging. Since its inception in 2003,

⁸ [DHS Pandemic Planning Needs Better Oversight, Training, and Execution, OIG-17-02 \(October 2016\).](#)

⁹ [National Defense Authorization Act, Pub L No. 114-328, §1902 \(2017\).](#)
www.oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

the Department has spent tens of billions of dollars annually on a broad range of assets and services—from ships, aircraft, surveillance towers, and nuclear detection equipment to IT systems for financial management and human resources. DHS' yearly spending on contractual services and supplies, along with acquisition of assets, exceeds \$25 billion. There continue to be DHS major acquisition programs that cost more than expected, take longer to deploy than planned, or deliver less capability than promised. The Department was established very quickly by combining many legacy and new agencies, so DHS' earliest acquisition processes were imperfect and slow to mature. Initially, DHS operated in disparate silos focused on purchasing goods and services with minimal management of requirements. In their transition to DHS, seven agencies, including the U.S. Coast Guard, FEMA, and TSA retained their own procurement functions. The expertise and capability of the seven procurement offices mirrored their pre-DHS expertise and capability, with staff sizes ranging from 21 to 346.

DHS has taken many steps to strengthen department-wide acquisition management, such as establishing an Acquisition Life Cycle Framework—a four-phase process to assure consistent and efficient acquisition management, support, review, and approval. The framework is designed to ensure that program managers have the tools, resources, and flexibility to execute acquisitions and deliver products that meet user requirements while complying with applicable statutes, regulations, and policies.

The Department also created the Office of Program Accountability and Risk Management (PARM) in 2011. PARM oversees major acquisition programs and the acquisition workforce, develops program management policies, and collects performance data. Within PARM, the Acquisition Review Board determines whether components' acquisitions meet specific requirements at key phases throughout the acquisition process. DHS established a Joint Requirements Council to review high-dollar acquisitions and make recommendations to the Acquisition Review Board on cross-cutting savings opportunities.

DHS has also increased component-level acquisition capability. For instance, the Department appointed component acquisition executives to oversee and support their respective programs; it also initiated monthly component acquisition executive staff forums to provide guidance and share best practices. DHS has continued to enhance its acquisition workforce by establishing centers of excellence for cost estimating, systems engineering, and other disciplines to promote best practices and provide technical guidance.

Most of DHS' major acquisition programs continue to cost more than expected, take longer to deploy than planned, or deliver less capability than promised. Although its acquisition policy includes best practices, DHS sometimes



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

approves moving forward with major acquisition programs without appropriate internal oversight.

- USCIS faces continuing challenges in its efforts to automate immigration benefits. After 11 years, USCIS has made little progress in transforming its paper-based processes into an automated immigration benefits processing environment. Past automation attempts have been hampered by ineffective planning, multiple changes in direction, and inconsistent stakeholder involvement. USCIS deployed the Electronic Immigration System (ELIS) in May 2012, but to date customers can apply online for only 2 of about 90 types of immigration benefits and services. As we reported in March 2016, the current ELIS approach does not ensure stakeholder involvement, performance metrics, system testing, or the user support needed for an effective system. USCIS now estimates it will take 3 more years to address these issues—over 4 years longer than estimated—and an additional \$1 billion to automate all benefit types. This delay will prevent USCIS from achieving its workload processing, national security, and customer service goals.¹⁰

These failures have a real impact on our national security. Because of processing errors resulting from premature release of ELIS software, USCIS received over 200,000 reports from approved applicants about missing green cards. The number of cards sent to wrong addresses has incrementally increased since 2013 due in part to complex processes for updating addresses, ELIS limitations, and factors beyond the agency's control. USCIS produced at least 19,000 cards that included incorrect information or were issued in duplicate. Most card issuance errors were due to design and functionality problems in ELIS. USCIS' efforts to address the errors have been inadequate. Although USCIS conducted a number of efforts to recover the inappropriately issued cards, these efforts also were not fully successful and lacked consistency and a sense of urgency. Errors can result in approved applicants unable to obtain benefits, maintain employment, or prove lawful immigration status. In the wrong hands, Green Cards may enable terrorists, criminals, and illegal aliens to remain in the United States and access immigrant benefits.¹¹

We recently issued a Management Alert regarding additional concerns with ELIS that came up during an ongoing audit of USCIS' use of ELIS for naturalization benefits processing. Early this year we learned of an impending decision by USCIS leadership to return to ELIS processing late January 2017. We are concerned about the feasibility and risk of

¹⁰ [USCIS Automation of Immigration Benefits Processing Remains Ineffective, OIG 16-48 \(March 2016\).](#)

¹¹ [Better Safeguards are Needed in USCIS Green Card Issuance, OIG-17-11 \(November 2016\).](#)
www.oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

such a decision given all the ELIS problems that remain unsolved. As such, we recommended that USCIS ensure the four minimal requirements of the Field Operations Directorate are met prior to returning to ELIS processing of N-400 naturalization applications and perform a risk-based analysis of all unresolved ELIS technical issues to ensure that, going forward, all systems improvement decisions are based on potential agency operational impact and risk to public safety.¹²

We are pleased to report that USCIS has agreed to delay the return to ELIS processing until all of the technical issues have been resolved.

- As we reported in November 2015, FEMA has taken steps to improve its IT management and developed numerous IT planning documents, but has not coordinated, executed, or followed through on these plans. FEMA struggles to implement component-wide IT governance, in part because the Chief Information Officer does not have sufficient control and budget authority to lead the component's decentralized IT environment. As a result, FEMA's IT environment has become overly complex, difficult to secure, and costly to maintain. In response to one of our recommendations, FEMA plans to implement and enforce a standardized, component-wide process that sufficiently defines and prioritizes the acquisition, development, operation, and maintenance requirements for all systems by exercising authorities through the IT Governance Board.¹³
- In September 2014, we reported that FEMA spent about \$247 million over 9 years to implement a Logistics Supply Chain Management System that cannot interface with its partners' logistics management systems or provide real-time visibility over all supplies shipped. In addition, FEMA estimated that the life-cycle cost of the system would be about \$556 million—\$231 million more than its original estimate. These problems were largely caused by FEMA's failure to comply with the Department's acquisition guidance. For instance, the program office responsible for the system did not analyze alternatives to determine how best to close the gap in FEMA's logistics capability; did not report life-cycle cost increases to the component acquisition executives and the DHS Acquisition Decision Authority; and did not formally report program breaches as required, which hindered oversight.¹⁴
- As this Subcommittee well knows, the Department is challenged in using the most efficient and effective composition of its motor vehicle fleet to

¹² [Management Alert-U.S. Citizenship and Immigration Services' Use of the Electronic Immigration System for Naturalization Benefits and Processing, OIG-17-26-MA \(January 2017\).](#)

¹³ [FEMA Faces Challenges in Managing Information Technology, OIG-16-10 \(November 2015\).](#)

¹⁴ [FEMA's Logistics Supply Chain Management System May Not Be Effective During a Catastrophic Disaster, OIG-14-151\(September 2014\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

meet mission requirements, in part due to limited DHS authority over components' fleet management decisions. We conducted three audits in this area. Most recently, in October 2015, we reported that the Federal Protective Service (FPS), based on its workforce, has too many vehicles and pays too much for its vehicles. Also, FPS officers in the National Capital Region used their vehicles to commute to and from home without proper justification. As a result, FPS may have missed saving more than \$2.5 million. DHS' insufficient oversight and potential cost savings were partly due to the DHS Fleet Manager not having enforcement authority to influence component vehicle purchases. Because components receive funding for vehicle fleets in their individual operational budgets, they make independent decisions about the number and type of vehicles needed to support their missions.

We appreciate this committee's support on this issue, and appreciate the legislation originating out of this Subcommittee that will amend the Homeland Security Act of 2002 to make the DHS Under Secretary for Management responsible for overseeing and managing vehicle fleets throughout the Department, including developing and distributing a standardized vehicle allocation methodology and fleet management plan; ensuring that components formally document fleet management decisions; and approving component fleet management plans, vehicle leases, and vehicle acquisitions.¹⁵

DHS has instituted major reforms to the acquisition process and has exerted significant leadership to gain control of an unruly and wasteful process. However, we worry that these reforms, if not continuously supported and enforced, could be undone. As DHS continues to build its acquisition management capabilities, it will need stronger departmental oversight and authority, increased commitment by the Department and components, as well as skilled personnel to effect real and lasting change.

Congress has previously introduced legislation designed to address DHS' acquisition challenges. We would support legislation that codifies existing policy and relevant offices; provides the necessary authority for key personnel and mechanisms within the Department to effectively manage major acquisition programs; reinforces the importance of key acquisition management practices, such as establishing cost, schedule, and capability parameters; and includes requirements to better identify and address poorly performing acquisition programs.

¹⁵ [The FPS Vehicle Fleet is Not Managed Effectively, OIG-16-02 \(October 2015\); DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations, OIG-14-126 \(August 2014\); DHS Home-to-Work Transportation, OIG 14-21 \(December 2013\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Homeland Security Grants Management

FEMA administers millions of dollars in homeland security preparedness grants. This is money given to states and communities to increase their capacity to prepare for and respond to a homeland security disaster. However, we find that FEMA does a fairly poor job of ensuring that the money is not wasted. We believe that this is a result of a failure of leadership on the part of FEMA and structural and systemic issues inherent in the program.

- Since 2001, FEMA has awarded fire departments and first responder organizations almost \$10 billion through the Assistance to Firefighters Grant (AFG) Program and Staffing for Adequate Fire and Emergency Response (SAFER) grants. In our 2016 audit, we reviewed whether recipients complied with grant requirements and guidance to prevent waste, fraud, and abuse of grant funds. We found that 64% (243 of 379) of AFG grant recipients (grantees) we reviewed did not comply with grant guidance and requirements because they did not support expenditures of more than \$6.3 million with adequate documentation. Based on the results of our statistical sample analysis, \$147.2 million (13%) of the \$1.13 billion appropriated grant funds are possible questioned costs.¹⁶
- We also found that 63% (88 of 139) of SAFER grant recipients (grantees) we reviewed did not comply with grant guidance and requirements to prevent waste, fraud, and abuse of grant funds. We found that they did not support expenditures of more than \$17.75 million with adequate documentation, and they may have expended more than \$692,000 in grant funds on ineligible items and activities. SAFER grant appropriations for fiscal years 2010 through 2012 totaled approximately \$1.16 billion. We examined about \$72 million in grant funds spent and are questioning \$18.4 million.¹⁷

As a result of Congressional mandates, we have audited a significant number of homeland security preparedness grants and have made recommendations. Unfortunately, FEMA has largely failed to take advantage of our recommendations in any kind of systemic or organized way. In an overarching audit of OIG recommendations related to preparedness grants, we reported that FEMA had not adequately analyzed recurring recommendations to implement changes to improve its oversight of these grants. Specifically, of the 58 homeland security grant audits we looked at, which contained 490 recommendations, we found that 91 percent identified challenges that were

¹⁶ [*FEMA's Grant Programs Directorate Did not Effectively Manage Assistance to Firefighters Grant Program-AFG Grants, OIG-16-100 \(June 2016\).*](#)

¹⁷ [*FEMA's Grant Programs Directorate Did Not Effectively Manage Assistance to Firefighters Grant Program- SAFER Grants, OIG-16-98 \(June 2016\).*](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

present year after year. In other words, we would identify an issue with one state's grant and make recommendations, but FEMA would not make systemic changes to ensure that the same issue was not repeated in other state grants. Simply put, when it comes to administration of homeland security grants, FEMA is not a learning organization and is content to make the same mistakes over and over again.¹⁸

Based on our recurring audit findings, it is critically important that FEMA officials examine regulations, policies, and procedures and assess the need for more robust changes throughout all grant programs. FEMA should refocus its efforts to identify systemic issues and develop solutions to address the cause and not just the symptoms. FEMA needs to improve its oversight of state grantees and proactively engage with states to improve management and guidance of subgrantees.

Management Fundamentals

Although neither exciting nor publicly lauded, the basics of management are the lifeblood of informed decision making and successful mission performance. Management fundamentals include having accurate, complete information on operations and their cost; meaningful performance metrics on programs and goals; and appropriate internal controls. The Department has made strides in establishing its management fundamentals, including obtaining an unmodified opinion on its financial statements for the last 3 years. However, DHS still cannot obtain such an opinion on its internal controls over financial reporting. In plain terms, this means the Department can assemble reasonably accurate financial statements at the end of the fiscal year, but it has no assurance that its financial information is accurate and up-to-date throughout the year. DHS has also instituted many positive steps such as over-arching acquisition policies and other meaningful acquisition reforms, but the value of these steps is undermined by the lack of discipline in management fundamentals.

We have summarized the ongoing challenges the Department faces into three main categories, but caution that these challenges are both interrelated and cumulative:

Collecting the Right Data

The Department does not prioritize collection of data in its program planning, does not always gather enough data, and does not validate the data it receives to ensure it is accurate and complete. The lack of reliable and complete data permeates through the entire Department and its components and is often

¹⁸ [Analysis of Recurring Audit Recommendations Could Improve FEMA's Oversight of HSGP, OIG-16-49 \(March 2016\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

accompanied by too little management oversight and weak internal controls. DHS leadership does not always assert its authority over the components to ensure it gets the data it needs when it needs it. As a result, DHS and the components often struggle making good decisions on acquisitions (what is needed and how much is needed) and correctly deploying resources (people, as well as acquired goods and services). Further, DHS does not have the data required to measure performance and use the feedback to adjust and improve programs and operations. We have identified numerous examples of this issue, including DHS' lack of accurate and complete inventory data for equipment, which hindered the provision of needed interoperable radio equipment, and incomplete inventory data on warehouse space, which led to wasted resources.¹⁹ Simply put, without the foundation of solid data, DHS cannot be certain it will achieve its mission and spend taxpayer dollars wisely and efficiently.

Collecting and Analyzing Cost Data

The Department, like most Federal Government agencies, does not put sufficient emphasis on collecting cost data for operations and programs. Successful businesses unfailingly track cost data because the cost of their operations or products directly impacts their bottom line revenue. Government does not have that bottom line drive for cost information; yet, all government programs rely on informed decision making to optimize performance. Without cost information, DHS cannot conduct a reliable cost-benefit analysis of proposed program or policy changes or new initiatives. Because it does not fully understand the costs of its program choices, the Department is not equipped to analyze its risk decisions. The lack of information on program costs also limits basic investment decisions among competing programs. Our FY 2015 audit of CBP's unmanned aircraft system program highlighted CBP's failure to capture complete cost data for the program. CBP did not include all the actual operating costs because some costs were paid from a different budget line item or program. We determined that CBP was dramatically underestimating the cost of the program at the same time it was considering expanding the program.²⁰ Program decisions based on inaccurate or incomplete cost analysis can lead to program failure, poor performance, or significant delays. Since we issued our audit report, DHS has made substantial progress towards developing a common flying hour program.

¹⁹ [Accurate Reporting and Oversight Needed to Help Manage DHS' Warehouse Portfolio, OIG-15-138 \(August 2015\).](#)

²⁰ [U.S. Customs and Border Protection's Unmanned Aircraft System Program Does Not Achieve Intended Results or Recognize All Costs of Operations, OIG-15-17 \(December 2014\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Performance Measurement

DHS does not routinely establish meaningful performance measures for many of its ongoing initiatives and programs. Multiple audit and inspection reports identify deficiencies in or the absence of DHS performance measures. Our audits have identified costly programs that DHS has not measured for effectiveness. Therefore, we do not know whether the investment of taxpayer resources is a good one. For example:

- TSA has continued to invest in its Screening of Passengers by Observation Techniques program without valid performance metrics to evaluate whether the investment is yielding appropriate results. In fact, 3 years after our initial audit, we found that TSA still is unable to determine its effectiveness.²¹
- CBP's Streamline, an initiative to criminally prosecute individuals who illegally enter the United States, had flawed measures of effectiveness and did not capture an accurate picture of the alien's crossing history, re-entry, or re-apprehension over multiple years. As a result, CBP did not have good information to make management decisions about widening, maintaining, or constricting Streamline's parameters.²²
- One of the Department's critical functions is to protect the Nation by interdicting illicit drugs headed for the United States through air, land, or maritime borders; however, the Department's drug interdiction performance measures did not effectively assess the impact of its drug interdiction efforts. We found that the measures were not outcome based or did not assess activities directly related to combating drug smuggling organizations. In one instance, the measure could be expanded to more accurately assess component drug interdiction activity effects toward dismantling transnational criminal organizations. This occurred because the Department did not establish minimum standards for components to use in developing effective performance measures. The Department instead relied on components to develop and implement performance measures to satisfy the Office of National Drug Control Policy priorities. As a result, DHS could not measure whether its drug interdiction efforts effectively support required national drug control outcomes.²³

Reliable and relevant feedback on program performance is critical to ensuring the Department does not invest its resources on unproductive, inefficient, or ineffective programs and initiatives.

²¹ [Verification Review of Transportation Security Administration's Screening of Passengers by Observation Techniques/Behavior Detection and Analysis Program, OIG-16-111-VR \(July 2016\).](#)

²² [Streamline: Measuring Its Effect on Illegal Border Crossing, OIG-15-95 \(May 2015\).](#)

²³ [DHS Drug Interdiction Effects Need Improvement, OIG-17-09 \(November 2016\).](#)



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

These critical business fundamentals, unglamorous as they may be, are part of any mature and functioning government enterprise. The key to a more effective and efficient DHS is to focus on these basic government business practices. DHS achieved its unmodified opinion on the financial statements through concentrated hard work and attention to detail at every level of the Department. Similar emphasis must be placed on mastering the fundamentals of business management before the Department can fully mature as a world class organization.

Mr. Chairman, this concludes my testimony. I am happy to answer any questions you or other members of the committee may have.

John Roth – Inspector General, Department of Homeland Security



The U.S. Senate on March 6, 2014 confirmed the nomination of John Roth to be Inspector General of the Department of Homeland Security.

Mr. Roth, who most recently served as Director of the Office of Criminal Investigations at the Food and Drug Administration, was nominated to lead the DHS Office of Inspector General by President Barack Obama.

Prior to his move to the FDA in June 2012, Mr. Roth had a 25-year career as a federal prosecutor and senior leader in the Department of Justice. He began his career in 1987 as Assistant U.S. Attorney for the Eastern District of Michigan. From 1994 to 1999, he was Chief of the Narcotics Section at the U.S. Attorney's Office for the Southern District of Florida.

From 1999 to 2004, Mr. Roth served as Section Chief at DOJ's Criminal Division for the Narcotic and Dangerous Drugs Section and the Asset Forfeiture and Money Laundering Section. During that time, he served on a detail as Senior Counsel and Team Leader for the congressionally chartered 9/11 Commission and helped to write a well-regarded monograph on terrorist financing, and assisted in completing the Commission's final report.

In 2004, Mr. Roth became the chief of the Fraud and Public Corruption section at the U.S. Attorney's Office in the District of Columbia, supervising a staff of prosecutors investigating fraud and public corruption cases. In 2007, he served as Acting Deputy Assistant Attorney General in the Criminal Division and became chief of staff to the Deputy Attorney General in 2008.

Mr. Roth culminated his DOJ career as the department's lead representative on the Financial Action Task Force in Paris, France, an intergovernmental organization fighting against money laundering and terrorist financing.

Mr. Roth earned a B.A. and a law degree from Wayne State University in Detroit.