

Major Management and Performance Challenges Facing the Department of Homeland Security





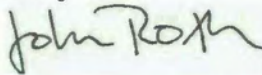
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Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

November 3, 2017

MEMORANDUM FOR: The Honorable Elaine C. Duke
Acting Secretary

FROM: John Roth 
Inspector General

SUBJECT: Major Management and Performance
Challenges Facing the Department of
Homeland Security

Attached for your information is our annual report, Major Management and Performance Challenges Facing the Department of Homeland Security.

Introduction

Every year, pursuant to *the Reports Consolidation Act of 2000*, Federal Inspectors General are required to issue a statement “that summarizes what the inspector general considers to be the most serious management and performance challenges facing the agency and briefly assesses the agency’s progress in addressing those challenges.” This requirement is consistent with our duties under the *Inspector General Act* to not only conduct audits but, pursuant to Section 2(2) of the Act, provide leadership and recommend policies to promote economy, efficiency, and effectiveness in the Department’s programs and operations.¹

This year, we highlight the underlying causes of the Department’s persistent management and performance challenges, which hamper efforts to accomplish the homeland security mission efficiently and effectively. The challenges are two-fold. First, Department leadership must commit itself to ensuring DHS operates more as a single entity

¹ Our intention is to advise the Department, from a broad perspective, on the causes of its management challenges, not to provide details for developing specific performance goals, measures, and milestones envisioned by the *GPRA Modernization Act of 2010*. Because this statement is not an audit, we did not prepare it in accordance with *Generally Accepted Government Auditing Standards*.



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rather than a collection of components. The lack of progress in reinforcing a unity of effort translates to a missed opportunity for greater effectiveness. Second, Department leadership must establish and enforce a strong internal control environment typical of a more mature organization. The current environment of relatively weak internal controls affects all aspects of the Department's mission, from border protection to immigration enforcement and from protection against terrorist attacks and natural disasters to cybersecurity.

Simply stated, internal controls are an organization's processes for ensuring that it can execute its mission effectively, efficiently, and lawfully. Internal controls include assessing risk, using policies and procedures to establish actions that achieve objectives, communicating quality information, and monitoring activities to assess performance. As described in the Government Accountability Office's (GAO) Green Book, internal controls are needed to adapt to "shifting environments, evolving demands, changing risks, and new priorities." Also according to GAO, leadership needs to establish a control environment as the foundation for discipline and structure to help achieve objectives. The Office of Management and Budget reiterates this principle — "[m]anagement has a fundamental responsibility to develop and maintain effective internal control, proper stewardship of resources, efficient and effective operation of programs, compliance, minimal potential for waste, fraud, and mismanagement." The Department's investment of billions of dollars in programs and operations without implementing strong internal controls runs counter to ensuring efficiency and effectiveness.

Ideally, leadership should establish a strong, overarching internal control structure that clearly defines goals and objectives, as well as plans and strategies to achieve them. In such a structure, leadership delineates and assigns responsibilities, promotes coordination of resources and cooperation among programs and operations, promulgates straightforward policies and guidance to components, and asserts its authority to ensure compliance and accountability.

Challenges in Committing to Intra-component Cooperation

In the last 3 years, the Department has formally attempted to establish a centralized authority structure through its "One DHS" and "Unity of Effort" initiatives. These initiatives have largely been executed through



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DHS Management Directives on budget formulation and acquisition activities, as well as high-level coordination activities often spearheaded by senior Department leadership. Unity of Effort appears to be ongoing, but the Department will continue to be challenged to sustain and implement such initiatives, particularly as previously vacant leadership positions continue to remain unfilled, and the Department's mission continues to evolve.

Because of overlapping missions and operations, redundancy and inefficiencies are nearly inevitable. The Department must continually seek opportunities to minimize these to create a leaner, more effective organization through collaboration. As we noted in last year's Major Management and Performance Challenges:

Unity of effort needs to be more than a slogan and an initiative. Ensuring continued progress requires the constant attention of senior leaders. Absent structural changes to ensure streamlined oversight, communication, responsibility, and accountability — changes that must be enshrined in law — the risk of DHS backsliding on the progress made to date is very real.

We have seen little evidence of proactive effort by leadership to view the organization holistically, to forcefully communicate the need for cooperation among components, and to establish programs or policies that ensure unity, even though such effort is a necessary precondition to unified action. Even if DHS leadership articulated the concept of unified action to the components more clearly and forcefully, weak or nonexistent central authority hinders oversight, monitoring, and compliance.

The responsibility for proactive leadership to drive Unity of Effort falls on the Secretary, the Deputy Secretary, the Under Secretary for Management, and on the newly created Under Secretary for the Office of Strategy, Policy, and Plans. Unfortunately, these positions suffer from the lack of permanent, presidentially appointed and Senate-confirmed officials; as a result, there has not been the opportunity or leadership stability to implement or reinforce needed reforms.



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The central challenge of a young DHS is to forge a number of disparate entities, each with a unique culture, history, and mission focus into a single entity. This requires senior-level, proactive communication and strong internal controls; to do otherwise risks the perception of a tacit message that the components can simply consider the Department an umbrella organization and continue to go it alone.

To be sure, we see evidence of progress, particularly in the area of surge operations and high value acquisitions. But we also see weak central authority and lack of cooperation, which can negatively affect crucial elements of the Department's mission. For example, ensuring the appropriate use of force is critical to the Department's vast law enforcement enterprise, yet DHS does not have an office to manage and oversee use of force activities; collect and validate data to assess use of force, minimize risks, and take corrective actions; and ensure use of force policies are updated and incorporate lessons learned. Given the significant investment in immigration enforcement and administration of immigration laws, DHS should pay particular attention to the programs and operations of CBP, ICE, and USCIS. Yet, the Department does not have a designated responsible official or department-level group to address overarching issues related to immigration, resolve cross-cutting problems, and foster coordination in processing aliens. Finally, both ICE and CBP have had difficulty overseeing their networks of field offices and monitoring border patrol stations and detention facilities to identify and correct compliance issues.

Workforce Challenges

A strong internal control environment requires commitment to competence in the workplace — to accomplish this, DHS needs to recruit, hire, develop, and retain a highly skilled, motivated workforce. Effective management also requires preparing, deploying, and supporting the right number of employees to achieve program and policy objectives.

The Department, CBP, and ICE face significant challenges in identifying, recruiting, hiring, and fielding the number of law enforcement officers mandated in the January 2017 Executive Orders. Neither CBP nor ICE could provide complete data to support the operational need or deployment strategies for the 15,000 additional agents and officers they were directed to hire. Although DHS has established plans and initiated



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actions to begin an aggressive hiring surge, in recent years the Department and its components have encountered notable difficulties related to long hire times, proper allocation of staff, and the supply of human resources. Specifically, CBP, ICE, and the Secret Service have been able to maintain staffing levels close to the authorized number of law enforcement personnel and have taken steps to reduce the time it takes to hire, but they continue to experience significant delays partly due to lack of staff and automated systems needed to hire personnel as efficiently as possible. The inability to hire law enforcement personnel in a timely manner may lead to shortfalls in staffing, which can affect workforce productivity and morale, as well as potentially disrupt mission critical operations. Also, the Secret Service improved communication within the workforce, increased hiring, and committed to more training, but continuing struggles to retain staff in the face of high operational demands will require a multi-year commitment by Secret Service and DHS leadership.

Proper workforce staffing processes include identifying mission-critical occupations and competencies to achieve strategic goals. These processes systematically define the size of the workforce needed to meet organizational goals. Our work has revealed that DHS has not established structure or rigorous process to determine needed staff and allocate them accordingly, nor does leadership attempt to align staffing resources with workloads. For example, although many ICE Deportation Officers supervising aliens reported overwhelming caseloads and difficulty fulfilling their responsibilities, ICE was not collecting and analyzing data about employee workloads to allocate staff judiciously and determine achievable caseloads. We discovered that at four ICE field offices, Deportation Officers were responsible for supervising up to 10,000 non-detained aliens.

The Department does not always determine how to properly support employees once hired to ensure they are well-equipped to carry out their responsibilities while maintaining a high level of morale. DHS often fails to update and clarify guidance and policies, ensure full and open communication between employees and management, offer sufficient training, and reduce administrative burdens. Our reports are replete with examples of insufficient training to enable and enhance job performance.



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The Challenge to Become a Learning Organization

To really “learn,” organizations need to make certain program and operational data is reliable and gather the data for planning and decision making, institute performance measures, ensure compliance with policies and procedures, and establish and communicate best practices. Disparate data streams, legacy systems, and unsuccessful attempts to transform IT systems can prevent gathering of reliable data to assess risk, make decisions, and establish performance measures. As the Department struggles with remediating individual problems, the more difficult work of examining cross-cutting deficiencies and developing long-term solutions is often left unaddressed. Components may learn lessons, but they have little incentive to apply them, communicate them to others to help them learn, or institute best practices. Thus, the same mistakes are made.

For example, because of a lack of formal oversight roles and responsibilities, the Department did not report drug seizures and drug interdiction resource hours to the Office of National Drug Control Policy or ensure components developed and implemented adequate performance measures to assess drug interdiction activities. As a result, DHS could not ensure its drug interdiction efforts met required national drug control outcomes nor could it accurately assess the impact of the approximately \$4.2 billion spent annually on drug control activities.

CBP continues to have problems measuring the effectiveness of its programs and operations; therefore, it continues to invest in programs and act without the benefit of the feedback needed to help ensure it uses resources wisely and improves border security. OIG and GAO have issued multiple reports assessing how well DHS and CBP determine effectiveness of programs and operations. In general, the reporting shows that, although CBP has implemented many new programs to address border security issues, it has struggled to develop measures of effectiveness. Further, CBP’s data is often unreliable and incomplete and statistics are sometimes subject to misinterpretation.

In the acquisition process, we have found that DHS has established the internal controls (e.g., the right people and processes) to acquire goods



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and services efficiently, but does not always ensure compliance with the controls. As a result, the Department does not always fully assess risk to determine priorities or catch problems early in the acquisition process before they evolve into larger problems. Acquisitions are allowed to proceed even if there is a failure to comply with policies and procedures. 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 DHS has made much progress in acquisition management, our reports point to a continuing need for a strong central authority and uniform policies and procedures.

Challenges Transforming IT Systems

The Department is not addressing IT systems holistically. In attempting to modernize their systems, multiple components continue to struggle with outdated legacy IT (including financial) systems, cost overruns, security concerns, functionality issues, and a lack of resources and processes to address user needs.

The Department faces challenges implementing its Enterprise Data Strategy. Although it has started a number of initiatives and working groups that have coordinated and monitored data investments across components, officials said the Department could provide additional assistance. Finalizing its implementation plans is essential to DHS moving forward with the Enterprise Data Strategy and ensuring department-wide standardization, interoperability, accessibility, and inventory of its data assets.

USCIS recently began addressing multiple problems trying to automate application processing for immigration benefits through the Electronic Immigration System (ELIS). A series of audits disclosed a pattern of problems with ELIS performance and functionality, deficiencies in system capabilities that users need to process benefits and services, significant performance problems, system outages, and problems with system interfaces. Primarily because of technical and functional deficiencies, USCIS issued nearly 20,000 "green cards" in error. ELIS also hindered USCIS staff in their efforts to process naturalization benefits, slowing processing and productivity and allowing cases to move forward in processing despite incomplete or inaccurate background and security checks.



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CBP's IT systems and infrastructure did not fully support its objective of preventing the entry of inadmissible aliens to the country. The slow performance of a critical pre-screening system greatly reduced officers' ability to identify passengers who may be of concern or represent a national security threat. Further, frequent system outages hampered international passenger screening at airports. IT systems and infrastructure hindered border security activities between ports of entry, creating excessive processing backlogs. Frequent network outages hindered air and marine surveillance operations. CBP has not yet addressed these long-standing IT systems and infrastructure challenges, due in part to ongoing budget constraints.

ICE personnel investigating in-country visa overstays had to piece together information from dozens of systems and databases, some of which were not integrated and did not electronically share information. Despite previous efforts to improve information sharing, the DHS Chief Information Officer did not provide the oversight and centralized management needed to address these issues. Additionally, ICE did not ensure that its field personnel received the training and guidance needed to properly use the systems currently available to conduct visa overstay tracking. Manual checking across multiple systems used for visa tracking contributed to backlogs in casework and delays in investigating suspects who potentially posed public safety or homeland security risks.

The Way Forward

According to GAO, five elements are key to making progress in high-risk areas: leadership commitment, capacity, an action plan, monitoring, and demonstrated progress. DHS leadership has not always exhibited sustained commitment to fully integrating its components. The Department also lacks a clear structure of internal controls to define priorities for the future, assess overall risk, examine and monitor the performance of current programs and operations, communicate quality information, and ensure accountability. Each of these elements of internal control is especially critical with the ever increasing attention on national security issues, such as border control and immigration enforcement, which will exert sustained pressure on DHS to achieve its mission.



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Although the Department consistently implements recommendations from OIG reports, it has yet to demonstrate clear progress in addressing management and performance challenges comprehensively. The current flat and decentralized management will continue to move from crisis to crisis without making headway. Incorporating Unity of Effort fundamentals into programs and operations and articulating a long-term vision, driving integration, and ensuring informed decision making will better position DHS leadership to overcome these challenges.

Additional Information and Copies

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