



Highlights of [GAO-06-206](#), a report to the Ranking Minority Member, Committee on Homeland Security and Governmental Affairs, United States Senate

Why GAO Did This Study

The Department of Homeland Security's (DHS) Science and Technology (S&T) Directorate was established to focus on areas such as addressing countermeasures for biological threats. To do this, it hired experts from the national laboratories under the authority of the Intergovernmental Personnel Act (IPA). The Directorate is organized into portfolios, led by portfolio managers. Questions have been raised about potential conflicts of interest for these individuals, since a portion of the Directorate's research funds have gone to the national laboratories. GAO was asked to examine (1) the management controls established within the Directorate to help guard against conflicts of interest for IPA portfolio managers; and (2) the role of the IPA portfolio managers, particularly those from national laboratories, in determining where research and development projects were directed.

What GAO Recommends

To improve the S&T Directorate's ethics-related management controls, GAO recommends that DHS take several related actions to help ensure that IPA portfolio managers comply with conflicts of interest laws. DHS concurred with our recommendations, and noted several actions they plan to take. If implemented effectively, these actions would be responsive to some of our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-206.

To view the full product, including the scope and methodology, click on the link above. For more information, contact George H. Stalcup at (202) 512-6806 or stalcup@gao.gov.

HOMELAND SECURITY

DHS Needs to Improve Ethics-Related Management Controls for the Science and Technology Directorate

What GAO Found

DHS's S&T Directorate is working to improve its management controls to help guard against conflicts of interest for its IPA portfolio managers, but it can do more. In the first few years of DHS's existence, the S&T Directorate focused on the urgency of organizing itself to meet the nation's homeland security research and development requirements, and had few resources devoted to developing its management infrastructure, including the management controls to guard against conflicts of interest. In the past year, steps have been taken to improve these controls. For example, in June 2005, DHS implemented a new process for hiring IPA employees. Although the S&T Directorate is taking steps to improve its ethics-related management controls, several conditions still need to be addressed to better ensure that its IPA portfolio managers comply with the conflict of interest laws. First, the process for determining where research and development projects and funds are directed, including the role of the IPA portfolio managers, has never been finalized. Second, the S&T Directorate does not require documentation of how determinations are made about where research and development projects and funds are directed. Third, S&T Directorate officials are only now seeking waivers, where appropriate, and considering whether to take other actions that would allow IPA portfolio managers to participate in certain matters. Finally, DHS officials told us that S&T Directorate employees, including those hired under the IPA, are offered the same new employee and annual ethics training as are all DHS employees. However, employees hired under the IPA do not receive regular training that addresses their unique situation; namely that they have an agreement for future employment with an entity that may benefit from the S&T Directorate's funding.

The role of the IPA portfolio managers, five of whom came from the national laboratories, in determining where research and development projects and associated funds were directed was unclear. This was due to several factors. First, as previously discussed, the S&T Directorate has never finalized a standard process for determining where research and development projects and funds are directed, or the decision-making role of the IPA portfolio managers within such a process. Second, the extent of the IPA portfolio managers' participation in making these determinations was unclear because there was no documentary evidence of how these determinations were actually made. Third, the testimonial evidence on the extent of the IPA portfolio managers' involvement was inconsistent and, at times, vague. Because we could not determine whether or not the IPA portfolio managers participated "personally and substantially" in the decision-making process, which is precluded by 18 U.S.C. § 208, GAO contacted the Acting Director of the Office of Government Ethics (OGE) in September 2005. GAO suggested that OGE review this matter further in conjunction with its planned ethics program review of DHS. In December 2005, OGE officials told us that they plan to examine, among other matters, the transparency and accountability issues in DHS's ethics program raised by our findings.