



Highlights of [GAO-07-658](#), a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The Department of Homeland Security (DHS) has a large, diverse portfolio of property it uses to carry out its mission. GAO's objectives were to (1) describe DHS's real property portfolio; (2) determine what challenges, if any, DHS faces in managing real property and what actions it has taken in response to the administration's real property initiative; (3) determine what challenges DHS and the General Services Administration (GSA) face in consolidating DHS's Washington, D.C. headquarters; and (4) describe actions DHS has taken to help ensure the security of its facilities. GAO reviewed documents and interviewed officials from DHS, GSA, and other stakeholders, including the National Capital Planning Commission (NCPC) and the District of Columbia (D.C.).

What GAO Recommends

GAO recommends that DHS (1) use capital planning principles to link its capital needs with its asset management plan and (2) develop a physical security plan. GAO also recommends that DHS and GSA (3) develop a more comprehensive analysis of the costs to the government as a whole for DHS's headquarters consolidation. DHS agreed with the first two recommendations. GSA did not agree with the third recommendation, while DHS partially agreed. GAO maintains that such an analysis is needed. GAO also obtained comments from other stakeholders.

www.gao.gov/cgi-bin/getrpt?GAO-07-658.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Mark Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

FEDERAL REAL PROPERTY

DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges

What GAO Found

DHS's 10 major organizational components have a portfolio that includes more than 27,000 owned or leased buildings and structures totaling about 78 million square feet. About 72 percent of DHS real property is federally owned, while about 28 percent of DHS real property is federally leased. The U.S. Coast Guard has the majority of DHS real property, accounting for 69 percent of its buildings and about 41 percent of its square footage. DHS faces challenges but has made progress toward addressing them in response to the administration's real property management initiative. One major challenge relates to DHS being a new federal department that combined 22 existing agencies, which has made the development of a cohesive approach to real property management a significant undertaking. On the administration's scorecard for real property management, DHS has achieved a "yellow" status, which indicates progress in strategically managing real property by, for example, designating a senior real property officer and developing an OMB-approved asset management plan. However, DHS could do more to link its capital decision-making practices to its real property initiatives.

Consolidating DHS's Washington, D.C., area locations will be challenging because of the costs involved, estimated to be at least \$3.26 billion, and stakeholders' concerns about the redevelopment of the West Campus of St. Elizabeths Hospital—DHS's preferred location—which is under the control of GSA and is a National Historic Landmark District. DHS believes that by consolidating most of its headquarters operations, greater efficiencies would result, its mission would be better integrated, and security of the facilities could be better managed. DHS has testified that an estimated \$1 billion would be saved over 30 years through the consolidation, although a revised analysis estimates cost savings at \$743 million. However, this savings analysis does not (1) use actual and projected leasing costs for locations where DHS is currently housed, (2) include DHS costs of \$1.32 billion to develop the site, and (3) examine a range of square footage alternatives. A more comprehensive analysis would improve transparency and help key stakeholders, including Congress, make more informed decisions about the consolidation. Also, several key stakeholders are concerned about compliance with historic preservation and environmental laws and the effect the project will have on the local community, although some community leaders support it. In July 2007, GSA plans to issue a draft Master Plan for stakeholder review that, according to GSA, will address these concerns.

In recent years, DHS has taken actions intended to improve the security of its facilities, but its efforts fall short in certain key areas. DHS has designated a Chief Security Officer for the department and has established a Chief Security Officer Council to evaluate security issues. However, most DHS components have not fully implemented risk management for facility protection, which DHS has advocated for other agencies, nor has DHS developed a physical security plan, as required by HSPD-7.