

# Department of Homeland Security **Office of Inspector General**

## DHS' Intelligence Community Members' Continuity of Operations and Intelligence Readiness





# Homeland Security

June 19, 2012

## Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report addresses the strengths and weaknesses of DHS' Intelligence Community members' Continuity of Operations programs. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in blue ink that reads "Charles K. Edwards".

Charles K. Edwards  
Acting Inspector General

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## Abbreviations

COOP	Continuity of Operations
CG-2	Intelligence and Criminal Investigations
DHS	Department of Homeland Security
ERG	Emergency Relocation Group
FCD	Federal Continuity Directive
FEMA	Federal Emergency Management Agency
HSPD	Homeland Security Presidential Directive
I&A	Office of Intelligence and Analysis
IC	Intelligence Community
NSPD	National Security Presidential Directive
OIG	Office of Inspector General
USCG	U.S. Coast Guard

# OIG

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*Department of Homeland Security  
Office of Inspector General*

## **Executive Summary**

The Department of Homeland Security's (DHS) Office of Intelligence and Analysis (I&A) and the United States Coast Guard's (USCG) Office of Intelligence and Criminal Investigations share the common function of performing as DHS departmental elements and Intelligence Community members.

We assessed the DHS Intelligence Community members' Continuity of Operations programs as part of our *Fiscal Year 2011 Annual Performance Plan*. Specifically, we focused on the program's history, evolution, activities, and coordination and collaboration efforts. Our objectives were to ensure Continuity of Operations definition alignment with the National Continuity Policy; to ensure that plans adequately address requirements set forth in the National Continuity Policy; to determine whether Continuity of Operations training and exercises test capabilities and identify potential areas of improvement; and to determine whether new planning efforts incorporate lessons learned and corrective action resulting from prior exercises or actual events.

The plans of both I&A and USCG address the required areas that define a viable Continuity of Operations plan and are consistent with national directives and DHS guidance. Senior leadership for both components have effectively assessed their programs and are confident that Continuity of Operations functions will be performed and sustained during emergency situations. However, both the Office of Intelligence and Analysis and USCG Intelligence and Criminal Investigations Continuity of Operations plans can be strengthened by defining roles and responsibilities better, adding more realistic exercise scenarios, and updating plans to reflect current operational capabilities.

We are making eight recommendations to help DHS Intelligence Community members strengthen their Continuity of Operations plans and programs and to improve oversight. The Department concurred with seven recommendations and did not concur with one.

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## Background

The terrorist attacks of September 11, 2001, and hurricanes Katrina and Rita in 2005 are examples of mass destruction and chaos caused by manmade and natural disasters. In November 2009, shootings at Fort Hood in Killeen, Texas, exemplified the ongoing threat of radicalized domestic extremism, further evidenced by the December 2009 Christmas Day bombing attempt on board Northwest Flight 253. The death of Osama Bin Laden in May 2011 and other recent events have not curtailed global terrorist activities against the United States or its foreign interests. The threat of terrorism and natural events beyond our control are two primary reasons why the Federal Government relies on Continuity of Operations (COOP) plans. COOP plans enable a more rapid and effective response to and recovery from an emergency, regardless of cause, size, or complexity.

DHS has five missions:

- Preventing terrorism and enhancing security
- Securing and managing our borders
- Enforcing and administering our immigration laws
- Safeguarding and securing cyberspace
- Ensuring resilience to disasters

To accomplish its missions, DHS must perform operations efficiently and effectively, with minimal disruption of essential functions, especially during any type of disaster or emergency. The severity and consequences of a disaster or emergency are difficult to predict, but effective contingency planning can minimize the effect on DHS personnel, resources, and operations.

### **National Continuity Policy**

The U.S. Government's National Continuity Policy, as outlined in the May 7, 2007, National Security Presidential Directive 51 (NSPD-51)/Homeland Security Presidential Directive (HSPD-20), establishes as national policy the requirement for each department and agency of the executive branch to maintain a comprehensive and effective continuity capability composed of Continuity of Government and COOP programs. These programs are to ensure the preservation of our form of government under the Constitution, including the functioning of the three separate branches, and the continuing performance of National Essential Functions under all

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conditions. National Essential Functions, as defined in NSPD-51/HSPD-20, represent the overarching responsibilities of the Federal Government to lead and sustain the Nation during a catastrophic emergency and will be the primary focus of the Federal Government's leadership during and in the aftermath of an emergency.

Continuity of Government refers to a coordinated effort within the executive branch to ensure that National Essential Functions continue to be performed during a catastrophic disaster or emergency. COOP refers to an effort within individual executive departments and agencies to ensure that Primary Mission-Essential Functions continue to be performed during a wide range of disasters or emergencies.<sup>1</sup> When a disaster, emergency, or significant event occurs, COOP procedures may be initiated. Upon COOP activation, mission-essential personnel will receive information pertaining to the threat condition, whether to report to an alternate site, and if so, the reporting time. Once personnel are present at the alternate site, they will continue to perform their organization's Primary Mission-Essential Functions.

### **National Essential Functions**

National Essential Functions must be maintained at all times, while Primary Mission-Essential Functions are unique to each department and agency. There are eight National Essential Functions:

- Ensuring the continued functioning of the Federal Government under the Constitution, including the functioning of the three separate branches of government;
- Providing leadership visible to the Nation and the world and maintaining the trust and confidence of the American people;
- Defending the Constitution of the United States against all enemies, and preventing or interdicting attacks against the United States or its people, property, or interests;

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<sup>1</sup> Primary Mission-Essential Functions, as defined in NSPD-51/HSPD-20, are those department and agency Mission-Essential Functions that must be performed to support or implement the performance of the National Essential Functions before, during, and in the aftermath of an emergency. They are required to be performed continuously during an event or resumed within 12 hours of an event, and to be maintained for up to 30 days after an event or until the resumption of normal operations.

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- Maintaining and fostering effective relationships with foreign nations;
  - Protecting against threats to the homeland and bringing to justice perpetrators of crimes or attacks against the United States or its people, property, or interests;
  - Providing rapid and effective response to and recovery from the domestic consequences of an attack or other incident;
  - Protecting and stabilizing the Nation's economy and ensuring public confidence in its financial systems; and
  - Providing for critical Federal Government services that address the national health, safety, and welfare needs of the United States.<sup>2</sup>

Resources required to perform National Essential Functions include trained personnel, equipment, and consumable office supplies.<sup>3</sup> The proper identification and prioritization of these functions are critical for creating a viable COOP plan. When departments and agencies identify too many functions as essential, resources may be allocated to sustain nonessential functions, impeding work on essential tasks.

### **National Continuity Policy Implementation Plan and Federal Continuity Directive**

In August 2007, the President approved the National Continuity Policy Implementation Plan. This plan augments the National Continuity Policy and provides guidance to executive branch departments and agencies on identifying and executing their Primary Mission-Essential Functions. To provide operational guidance in implementing this policy, the Federal Emergency Management Agency (FEMA) within DHS coordinated with its interagency partners and developed the Federal Continuity Directive-1 (FCD-1), *Federal Executive Branch National Continuity Program Requirements* (February 2008). FCD-1 provides direction to executive branch departments and agencies

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<sup>2</sup> NSPD-51/HSPD-20 § (5)(a)-(h).

<sup>3</sup> Essential Functions include all activities and resources necessary to support and maintain National Essential Functions and department- and agency-specific Primary Mission-Essential Functions and Mission-Essential Functions.

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on identifying and implementing the requirements to maintain a COOP capability.<sup>4</sup>

FCD-1 states that a viable COOP program will include the following 10 elements:

- Essential functions
- Alternate operating facilities
- Delegations of authority
- Orders of succession
- Devolution planning
- Vital records management
- Interoperable communications
- Test, training, exercise, and evaluation program
- Human resources and capital
- Reconstitution

At the request of the Assistant Inspectors General for Inspections Working Group of the Intelligence Community (IC) Inspectors General Forum, all IC Offices of Inspectors General (OIGs) agreed to conduct evaluations of COOP and Intelligence Readiness programs for their respective departments and agencies. These evaluations were to assess COOP programs and capabilities for elements in each organization that are funded by the National Intelligence Program.<sup>5</sup>

The IC members represent 16 different Federal Government departments and agencies. DHS has two IC members: the I&A and the U.S. Coast Guard Intelligence and Criminal Investigations (USCG CG-2). DHS IC members are the conduit between the IC and other DHS components. I&A and USCG CG-2 are responsible for ensuring the integration and continuity of intelligence to and from the IC during regular operational periods and national disasters and emergencies. I&A and USCG CG-2 have the unique ability to function as both departmental components and IC members in times of national disasters and emergencies.

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<sup>4</sup> FCD-1's provisions apply to the executive departments listed in 5 U.S.C. § 101, including DHS; independent establishments as defined by 5 U.S.C. § 104(1); government corporations as defined in 5 U.S.C. § 103(1); and the U.S. Postal Service. Throughout this report, we refer to these entities as "departments and agencies."

<sup>5</sup> The National Intelligence Program funds intelligence activities in several Federal departments and agencies. Detailed funding requests for intelligence activities are classified.



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We reviewed COOP and Intelligence Readiness programs for I&A and USCG CG-2 to determine the following:

- Whether the COOP definitions used align with the National Continuity Policy;
- The extent to which the IA and USCG CG-2 COOP plans address the requirements set forth in the National Continuity Policy;
- Whether COOP training and exercises test capabilities and identify potential areas of improvement; and
- Whether new planning efforts incorporate lessons learned and corrective action resulting from prior exercises or actual events.

Our report addresses DHS IC member efforts and capabilities, not the Department's overall COOP plan and program. However, we reviewed DHS' and USCG's plans to ensure that I&A and USCG CG-2 plans are included in the Department and USCG plans.

## **Results of Review**

I&A and USCG CG-2 have provided effective oversight of their respective COOP programs. Both have reviewed and confirmed component-specific Essential Functions, reviewed office-level COOP plans, and prepared multiyear strategies and management plans to guide each program. Neither I&A nor USCG CG-2 distinguishes between Primary Mission-Essential Functions and Mission-Essential Functions; they consider all critical mission functions to be Essential Functions. Senior leadership of both components is engaged in building viable COOP plans. I&A and USCG CG-2 COOP program officials say that their COOP plans allow both components to maintain a successful COOP posture and execute their Essential Functions during a significant national event. Continuity planning is consistent because both components' policies define authorities and responsibilities to reflect current national directives and guidance. I&A and USCG CG-2 COOP training and exercises are sufficient to prepare and assess component abilities to provide essential services during a significant emergency. However, improvements can be made to better define roles and responsibilities, enhance exercises to simulate real-world events, and update plans to reflect current operational capabilities.

Both plans are centric to operations and sustainment of the Department and not the IC. There are no interagency or IC-level Mission-Essential Functions in I&A’s plan, but USCG CG-2 has one plan that supports all essential requirements tasked to USCG. Both I&A and USCG CG-2 receive and transmit information to other IC departments and agencies that assist in ensuring that DHS Mission-Essential Functions are met. Figure 1 lists the national, DHS, I&A, and USCG CG-2 Essential Functions.

**Figure 1: Essential Functions: National, DHS, I&A, and USCG CG-2**

ESSENTIAL FUNCTIONS	
National	<ul style="list-style-type: none"> <li>Ensuring the continued functioning of our form of government under the Constitution, including the functioning of the three separate branches of government.</li> <li>Provide leadership that is visible to the Nation and the world and maintaining the trust and confidence of the American people.</li> <li>Defending the Constitution of the United State against all enemies, foreign and domestic, and preventing or interdicting attacks against the United States or its people, property, or interests.</li> <li>Maintaining and fostering effective relationships with foreign nations.</li> <li>Protecting against threats to the homeland and bringing to justice perpetrators of crimes or attacks against the United States or its people, property, or interests.</li> <li>Providing rapid and effective response to the recovery from the domestic consequences of an attack or other incident.</li> <li>Protecting and stabilizing the Nation’s economy and ensuring public confidence in its financial systems.</li> <li>Providing for critical Federal Government services that address the national health, safety, and welfare needs of the United States.</li> </ul>
DHS	<ul style="list-style-type: none"> <li>Awareness: Identify and understand threats, assess vulnerability, determine impacts, and disseminate timely information.</li> <li>Prevention: Detect, deter, and mitigate threats.</li> <li>Protection: Safeguard our people and their freedoms, critical infrastructures, property and the economy of our nation from acts of terrorism, natural disasters, and other emergencies.</li> <li>Response: Lead, manage, and coordinate the national response to acts of terrorism, natural disasters, and other emergencies.</li> <li>Recovery: Lead national, state, local, and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.</li> </ul>
Office of Intelligence & Analysis	<ul style="list-style-type: none"> <li>Assess, integrate, analyze, and exchange timely, relevant, and actionable threat and warning intelligence with federal, state, local, tribal, territorial, and private sector partners.</li> <li>Support the prevention of terrorist attacks through the analysis and exchange of terrorism-related intelligence with our federal, state, local, tribal, territorial, and private sector partners.</li> <li>Support the prevention of unauthorized acquisition or use of chemical, biological, radiological, and nuclear (CBRN) materials through the analysis and exchange of CBRN-related intelligence with our federal, state, local, tribal, territorial, and private sector partners.</li> <li>Support the protection of the U.S. critical infrastructure and key resources (CIKR) through the analysis and exchange of CIKR-related intelligence with our federal, state, local, tribal, territorial, and private sector partners.</li> <li>Support the safeguarding and securing of cyberspace through the analysis and exchange of cyber-related intelligence with our federal, state, local, tribal, territorial, and private sector partners.</li> <li>Support the securing of our borders through the analysis and exchange of border-related intelligence with our federal, state, local, tribal, territorial, and private sector partners.</li> </ul>
USCG Intelligence and Criminal Investigations (CG-2)	<ul style="list-style-type: none"> <li>Protective Services Operations for CCG and VCG (or Alternates)</li> <li>Intelligence Support to CG Senior Leadership and DHS</li> <li>Intelligence Systems / Information Technology and Related Connectivity</li> <li>Physical / Personnel Security Systems and Safeguards</li> <li>Intelligence support to Area and Subordinate Field Commanders</li> <li>Investigative Operations in Support of Area and Subordinate Field Commanders</li> <li>Counterintelligence Operations</li> <li>Intelligence Community Requirements: Continue to support all essential Intelligence Community requirements tasked to the CG.</li> </ul>

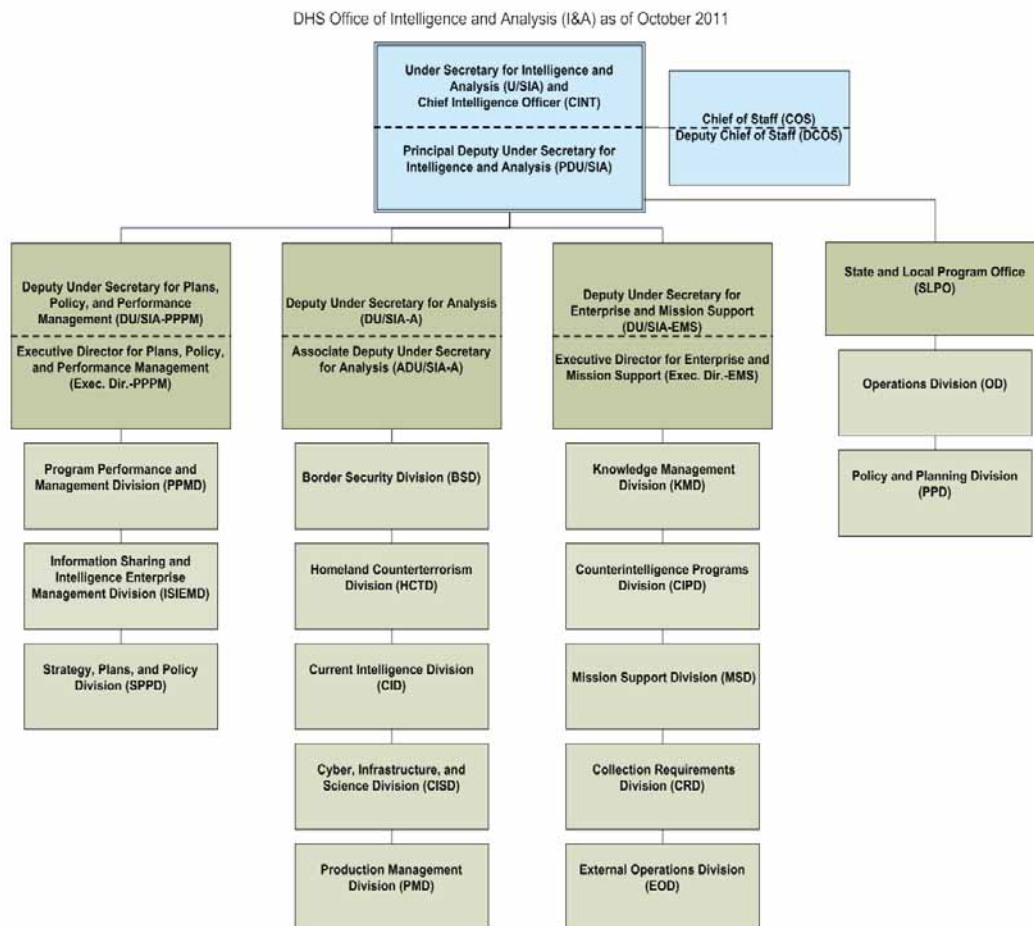
Source: NSPD-51/HSPD-20, DHS, I&A, and USCG CG-2.

## Office of Intelligence and Analysis

I&A was created in 2003 and is responsible for ensuring that timely and actionable homeland security information and intelligence is provided to national leadership, as well as State, tribal, local, and private sector stakeholders. I&A has 15 divisions organized under three Deputy Under

Secretaries and one directorate, as reflected in figure 2. I&A defines COOP as the ability of the office and its leadership to continue performing I&A Essential Functions in the event that its headquarters is inaccessible or uninhabitable. I&A must establish an operational capability and perform Essential Functions within 12 hours of COOP activation and sustain those functions up to 30 days or until resumption of normal operations.

**Figure 2: I&A Organizational Structure**



Source: I&A.

## COOP Program Evolution

From 2003 to 2007, I&A’s COOP program functioned more in theory than in practice. This is attributed to unclear guidance from senior leaders and the fact that designated COOP managers did not completely understand how COOP programs are developed and maintained.

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In 2007, I&A hired a COOP staff who are trained to develop, maintain, and execute its COOP program within established directives and policies. As a result, I&A has identified and defined Essential Functions, participated in government-wide and internal COOP exercises, and conducted periodic informational meetings to identify its level of COOP preparedness. I&A officials said that they maintain a level of COOP capability that would sustain the performance of Essential Functions.

I&A has identified an Emergency Relocation Group (ERG) to ensure the continuation of I&A's Essential Functions in the event of a COOP activation and execution. When I&A operations are disrupted, the I&A Under Secretary or a designated successor may activate its COOP plan. Upon notification of a COOP situation, the ERG will relocate to the designated alternate operations facility site to continue I&A's Essential Functions.

I&A's COOP plan also includes ERG intelligence elements from other DHS components. In 2008, DHS' Chief Intelligence Officer established the Intelligence Enterprise Continuity Working Group. The working group is responsible for developing plans and procedures to ensure that DHS intelligence elements are able to operate cohesively and effectively to respond to all-hazard emergencies. I&A collaborates with the DHS intelligence element to provide intelligence support to national and homeland security leaders, while supporting Federal, State, local, territorial, tribal, and private sector partners and customers.<sup>6</sup> In addition to I&A and USCG CG-2, the DHS intelligence element consists of the following:

- U.S. Customs and Border Protection's Office of Intelligence and Operations Coordination
- U.S. Immigration and Customs Enforcement's Office of Intelligence
- Transportation Security Administration's Office of Intelligence and Analysis
- U.S. Citizenship and Immigration Services' Office of Fraud Detection & National Security
- United States Secret Service's Office of Strategic Intelligence and Information

In I&A, 8 of the 15 divisions have individual Incident Management plans that align with the overall I&A headquarters COOP plan.<sup>7</sup> The Homeland Counterterrorism, Current Intelligence, and Cyber, Infrastructure, and Science Divisions are relatively new and are drafting Incident

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<sup>6</sup> U.S. Department of Homeland Security Intelligence Enterprise Continuity Draft Plan, June 2011.

<sup>7</sup> Incident Management plans detail how an organization will respond to emergency situations during Continuity of Operations events.

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Management plans as of November 2011. The State and Local Program Office Incident Management plan covers its two divisions, and the Program Performance and Management and Strategy, Plans, and Policy Divisions do not have any Essential Functions or ERG personnel.

### **Support and Planning Efforts**

COOP is a priority for I&A leadership and has consistent senior and midlevel leadership support. I&A has a 2010 COOP plan that addresses all FCD-1 elements, although the sections concerning devolution and vital records are not fully developed. COOP program officials believe that an I&A policy should be developed to direct each internal I&A office and division to develop and maintain COOP plans. The policy should also provide documentation of nonoperational program requirements, to allow the updated I&A COOP plan to focus on operational requirements and ensure that continuity applies to all I&A personnel and not just ERG members.

COOP planning occurs at all I&A levels. The Continuity and Exercise Programs Branch manages I&A's COOP program. Program managers collaborate with I&A management to build COOP awareness and support.

I&A COOP program managers are former FEMA employees who are trained in all aspects of continuity operations. Contingency Plans and Exercise Branch personnel are capable of developing, executing, and maintaining a COOP program. Primary duties for I&A COOP program managers are building and sustaining COOP capabilities. Maintaining division-level COOP responsibilities is an additional duty. All division-level managers possess functional COOP program knowledge, with some possessing expert knowledge in maintaining a program. As a result, I&A officials said they have improved the accountability, oversight, and visibility of their COOP program.

### **Working Group Collaboration**

I&A participates in several DHS and Office of Director of National Intelligence COOP working groups.<sup>8</sup> The Office of Director of National Intelligence working groups include the National

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<sup>8</sup> The Director of National Intelligence serves as the head of the IC, overseeing and directing National Intelligence Program implementation and acting as the principal advisor to the President, the National Security Council, and the Homeland Security Council for intelligence matters related to national security.

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Intelligence Emergency Management Activity, the National Partners Advisory Group, and the Mission Technical Advisory Committee. The National Intelligence Emergency Management Activity focuses on Continuity of Government, while the National Partners Advisory Group focuses on the critical IC and non-IC support departments and agencies. The Mission Assurance Technology Committee focuses on information technology.

DHS-led COOP working groups consist of the Interagency Continuity Test, Training, and Exercise Working Group, which is a FEMA-led forum that coordinates executive branch continuity issues, and the Department of Homeland Security Working Group, which is led by DHS' Office of Operations Coordination and Planning and coordinates all DHS continuity issues. I&A also participates in the Office of Intelligence and Analysis Continuity Working Group, which coordinates I&A continuity issues, and the DHS Intelligence Enterprise Continuity Working Group, which coordinates I&A Intelligence Elements continuity issues.

According to I&A COOP program and division managers, participation in these working groups and the exchange of ideas and information help I&A form a concerted and cohesive COOP plan that is in accordance with Federal regulations and Federal and Department policies.

## **Implementing Federal Continuity Directive-1 Requirements**

### **Essential Functions**

FCD-1 requires departments and agencies to identify and prioritize their organization's Essential Functions as a basis for COOP planning, and to identify staffing, resource requirements, and other supporting activities necessary to perform such functions. By identifying and prioritizing Essential Functions, a department or agency establishes planning parameters that drive its efforts in all other planning and preparedness areas. Mission-Essential Functions are a broad set of Essential Functions that include not only an agency's Primary Mission-Essential Functions, but also all other functions that must be continued throughout or resumed after a disruption of normal activities but do not rise to the level of Primary Mission-Essential Functions.

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I&A's COOP plan prioritizes Essential Functions based on their criticality or time sensitivity according to likely COOP triggers and scenarios. I&A officials periodically review Essential Functions to ensure that mission continuity is met under all conditions. In 2010, I&A reviewed its Essential Functions and determined that they were adequate for I&A to continue its mission. That review included analyzing, prioritizing, and identifying interdependencies and required resources. In July 2012, I&A, along with the other DHS components, will be reviewing and assessing their Essential Functions to better enable the Department to perform mission-critical functions during and following a real-world emergency.

The eight divisions that have COOP plans each have Essential Functions listed in their plan. However, the different division Essential Functions are not listed in the overall I&A COOP plan. Should senior leadership need to determine a specific division function, they would have to review each plan, potentially losing critical time during a COOP event.

### **Alternate Operating Facilities**

FCD-1 requires department and agency COOP plans to identify and prepare alternate operating facilities where staff can perform their Essential Functions. The alternate operations facility must be functional within 12 hours of COOP activation and sustainable for at least 30 days. These facilities should be located away from vulnerable areas and provide support, infrastructure, systems, and security for the relocated personnel.

Since 2003, I&A has used the Bluemont Emergency Relocation Site as its alternate operating facility. The configuration of the Bluemont facility meets I&A COOP activities requirements and complies with FCD-1 requirements. I&A ERG members and senior leadership report to different buildings on the Bluemont Emergency Relocation Site. Due to the separation of senior leadership and the ERG, communication was not always timely. During the 2011 Eagle Horizon Exercise, I&A addressed the communication issue with technology that allowed senior leadership direct communication with ERG members.<sup>9</sup> Personnel unable to reach the Bluemont facility can telework to continue I&A Essential Functions. However, as the majority of I&A

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<sup>9</sup> The Eagle Horizon Exercise is an annual, integrated continuity exercise for all Federal departments and agencies, mandated by NSPD-51/HSPD-20 and the National Continuity Policy Implementation Plan.

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Essential Functions depend on sensitive or classified information, telework is not feasible for most personnel.

Most I&A division officials said that the Bluemont facility has enough resources to perform their Essential Functions. During a site visit to the Bluemont facility in June 2011, we determined that the size and configuration of both buildings that I&A occupies can accommodate 100 percent of the emergency personnel identified in I&A's COOP plan.

### **Orders of Succession**

FCD-1 requires departments and agencies to establish, promulgate, and maintain orders of succession to key positions. Orders should be of sufficient depth to ensure that the agency can manage and direct its essential functions and operations while remaining a viable part of the Federal Government throughout any emergency.

I&A's plan defines the order of succession of the Under Secretary, I&A Chief Intelligence Officer, and other I&A offices critical to ensuring leadership during an emergency. I&A Division succession orders are detailed in each division's COOP implementation plan and maintained as separate documents. Each division is responsible for maintaining orders of succession for the office of Division Director.

### **Delegations of Authority**

FCD-1 requires departments and agencies to predelegate authorities for making policy determinations and other decisions to ensure rapid response to any disaster or emergency requiring COOP plan activation.

I&A's COOP plan includes predelegation of authorities for making policy determinations and decisions, at headquarters and other organizational locations, that complies with FCD-1 requirements. The plan states that assumption of delegated authorities will occur when communications between I&A staff and primary office holders are severed for more than 2 hours. Authorities automatically transfer to the most senior available successor identified, and relief occurs when communication with the primary office holder is reestablished or a new authority is appointed.

The plan's delegations of authority and orders of succession are current and reflect changes in senior I&A leadership and I&A



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organizational structure occurring in the past 2 years. According to I&A COOP program officials, personnel who could be delegated authorities in an emergency or be designated successors are trained or briefed on their roles. Each division's COOP plan contains delegations of authority and orders of succession that comply with FCD-1.

### **Devolution Planning**

FCD-1 requires that departments and agencies conduct devolution planning to identify how they will continue Essential Functions during increased threat situations or in the aftermath of an emergency or catastrophic disaster. Devolution planning refers to the preparation necessary to transfer statutory authority and responsibilities for Essential Functions of a department or agency to another organizational element, such as a field office, if an organization's alternate operating facility or emergency relocation personnel are unavailable or incapacitated.

As of November 2011, I&A had identified a devolution site but had not developed a feasible devolution plan to ensure that its Essential Functions would be continued if the I&A headquarters or the alternate operating facility is unavailable.

### **Vital Records Management**

FCD-1 requires departments and agencies to identify, protect, and make readily available vital records, databases, and hard copy documents to support Essential Functions during COOP disasters and emergencies. There are two types of vital records:

- **Emergency Operating Records:** Records and databases are essential to the functioning of or reconstituting of an agency during and after a continuity event. Emergency plans and directives; orders of succession; delegations of authority; staffing assignments; and related records of a policy or procedural nature that provide staff with guidance and information resources necessary for conducting operations during an emergency situation, and for resuming formal operations at its conclusion.
- **Legal and Financial Records:** Records that are critical to carrying out an organization's essential legal and financial functions and activities, and that protect the legal and

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financial rights of individuals directly affected by its activities.

The I&A COOP plan describes the need for a vital records program to support COOP operations, but the plan does not specify which records should be included. I&A program managers said that some vital records are paper-based and some are stored electronically at the permanent work center and alternate operating facility. However, the plan does not identify where vital records are stored; whether the records are paper-based, electronic, or both; or when the records should be updated.

### **Interoperable Communications**

According to FCD-1, departments and agencies must establish interoperable communications that provide the capability to perform Essential Functions until normal operations can be resumed.

In 2007, I&A had redundant systems only for its unclassified and SECRET networks. In July 2011, I&A conducted a successful test of the TOP SECRET network system. This was a major accomplishment, as the test demonstrated redundant communication capability with the IC and DHS components. Communications and databases are tested and updated regularly with software and changes requested by COOP program managers or division COOP coordinators.

I&A has established interoperable and redundant communications, and systems are available to support communication with employees, Department leadership, and other elements and locations during an emergency. I&A officials said that I&A provides multiple communication modes capable of transmitting, receiving, and coordinating classified information at its alternate operating facility. This communication capability includes the use of the Joint Worldwide Intelligence Communications System and secure telephones and fax machines.<sup>10</sup> I&A's Information Technology Division is charged with ensuring continuity of communications at its primary workplace and the alternate operating facility. At the alternate operating facility, I&A has a full-time site coordinator and staff to ensure that communications

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<sup>10</sup> The Joint Worldwide Intelligence Communications System is designed to meet the requirements for secure TOP SECRET/Sensitive Compartmented Information multimedia intelligence communications worldwide.

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are reliable and updated with new databases or programs to support mission requirements.

I&A is able to receive, coordinate, and deliver information at all security and classification levels. All I&A divisions have access to all files and databases that are needed to continue Essential Functions.

To coordinate with personnel during an emergency, I&A uses the Government Emergency Telecommunications Service and the Wireless Priority Service emergency telephone and wireless services. All I&A ERG personnel have government-issued cellular telephones.

### **Test, Training, Exercise, and Program Evaluation**

FCD-1 requires that departments and agencies assess, demonstrate, and improve their ability to execute COOP plans and programs through testing, training, and an exercise program.

I&A has participated in several internal and government-wide COOP exercises, and has developed a test, training, and exercise program. The program validates, identifies issues for subsequent correction, and specifies aspects of COOP capabilities, procedures, systems, and facilities used in response to emergencies.

I&A COOP officials said that COOP procedure and system tests have occurred during national COOP exercises and in association with events such as the 2009 Presidential inauguration, the 2009 State of the Union Address, and the 2011 Eagle Horizon Exercise. I&A is starting to use more tabletop exercises to provide additional participants with opportunities to work through various scenarios and the COOP process.<sup>11</sup> COOP program managers encourage all division-level COOP coordinators to conduct tabletop exercises to foster a better understanding of their COOP procedures and processes.

I&A's COOP program manager explained that I&A uses the automated Emergency Notification System to notify essential personnel of an emergency. The notification system will inform personnel of the event, the COOP level, and where and when to

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<sup>11</sup> A tabletop exercise is a discussion guided by a facilitator(s) that simulates an emergency situation in an informal environment. The focus of the exercise is on training and familiarization with roles, procedures, and responsibilities.

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report. Testing consists of calling or sending an email to all essential employees and ensuring that they received the message. COOP program officials said the system is tested regularly to ensure that contact information is correct. I&A also uses a “phone tree” system—a system of successive telephone calls that start and end with a specified person—as a backup procedure to inform personnel of COOP situations.

As of November 2011, National-Level Exercises and internal tabletop exercises were scripted, with information communicated in advance. COOP program officials and division-level coordinators have weeks to plan and ensure that information is understood. For example, the 2011 Eagle Horizon Exercise provided predetermined scenarios and timelines for the event. Scripted exercises are useful in ensuring that personnel know the notification process, where to be, and how to access their systems to continue performing Essential Functions. However, the 2011 Eagle Horizon Exercise tested the I&A notification system and how personnel deployed, but did not test the COOP process to react to a real emergency.

The exercise was conducted as a tabletop exercise, with limited COOP activities for I&A divisions, and provided no opportunity for a “hot wash” or After Action Report to determine the success of the exercise.”<sup>12</sup> Division-level coordinators interviewed said that no-notice exercises would be more practical in gauging how the COOP program functions. They also said that exercises should always be evaluated.

I&A has ensured that its personnel are trained to implement COOP plans and carry out Essential Functions in a COOP situation. All division coordinators we interviewed said that they had completed the mandatory FEMA COOP training. Three division coordinators said that more training could enhance their knowledge of COOP and that they would be interested in attending additional training.

I&A leadership requires all I&A personnel to complete the online FEMA COOP and emergency preparedness training through the DHS Intranet DHScovery website. This system informs COOP officials when I&A personnel have taken the basic-level COOP

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<sup>12</sup> A hot wash normally includes all parties who participated in an exercise or response activities. These events are used to create an After Action Report to discuss and evaluate performance and areas requiring remediation.

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orientation. Upon completion of the COOP orientation course, all I&A personnel should have a basic knowledge of COOP.

An effective testing, training, and exercise program is vital to improve the ability of departments and agencies to manage and execute their COOP programs. With an effective testing, training, and exercise program in place, I&A should have confidence that its COOP program is capable of supporting the execution of Essential Functions during a COOP situation.

### **Evaluation**

During exercises or real emergencies, it is important to record lessons learned so that COOP program evaluation and corrective action can occur. I&A does not have a process in its plan for documenting lessons learned, but is developing an official process for recording lessons learned and corrective action plans.

I&A officials describe their process as collecting comments on questionnaires developed by the COOP program managers and then developing an after-action plan within 30 days based on those comments and observations. Then, a series of working group meetings are held to address issues that should be included in a corrective action plan. The corrective action plan prioritizes what actions or issues should be addressed to enhance responses to real-world threats. One program official said that approximately 90 percent of the lessons learned from the 2010 Eagle Horizon Exercise were incorporated into the I&A plan for the 2011 exercise.

Each division COOP team is responsible for collecting and recording its lessons learned or feedback. Usually, those lessons learned are maintained at the division level, but they can be elevated for inclusion in overall I&A lessons. There is no formal requirement, however, for divisions to share feedback with the I&A COOP program office.

I&A uses FEMA's Continuity Evaluation Tool to assess elements of continuity described in FCD-1 and Federal Continuity Directive-2 (FCD-2), *Federal Executive Branch Mission Essential Function and Primary Mission Essential Function Identification and Submission Process* (February 2008).<sup>13</sup> The Continuity

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<sup>13</sup> FCD-2 implements the requirements of FCD-1, Annex C. It provides guidance and direction to executive branch departments and agencies for identifying their Mission-Essential Functions and potential Primary Mission-Essential Functions.

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Evaluation Tool supports the Readiness Report System, which evaluates an organization's continuity plans and procedures. Exercises are scored by FEMA observers or self-scored by the COOP program manager. I&A retains the evaluations from multiple exercises to establish a baseline for the program.

### **Reconstitution**

FCD-1 requires departments and agencies to provide reconstitution plans to transition from COOP status to an efficient normal operations status once the threat or disruption has passed.

I&A's COOP plan provides options for reconstitution from all disruption levels and movement from the COOP alternate operating facility or devolution site to the original facility or new operating site. It mentions that within 24 hours of an emergency relocation, the Office of the I&A Chief of Staff and the Information and Knowledge Management Division, in conjunction with the Continuity and Exercise Programs Branch, are to initiate and coordinate operations to salvage, recover, and restore I&A after receiving approval from appropriate law enforcement and emergency services officials. When the Under Secretary for I&A or other authorized official deems that the emergency situation has ended and is unlikely to recur—

- Operations may continue from the alternate operating facility/emergency relocation site;
- I&A headquarters may be reconstituted with returning staff; or
- I&A may begin to reconstitute in another designated location.

I&A's COOP plan requires each division to appoint a representative to the Reconstitution Working Group. This working group is led by the Reconstitution Manager, who oversees the transition. In planning for reconstitution, the Reconstitution Working Group and Reconstitution Manager are tasked with the following:

- Coordinating with the General Services Administration to obtain office space when I&A's alternate operating facility is deemed uninhabitable;
- Developing space allocation and facility requirements;
- Developing a time-phase plan, listing functions and projects in order of priority for resuming normal operations; and

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- Developing procedures, as necessary, for reconstituting I&A staff.

However, I&A's reconstitution process has not been fully tested. As a result, it may not be adequate and will need to be tested to ensure conformity with FCD-1.

### **Human Capital and Resources**

FCD-1 requires departments and agencies to ensure that human capital strategies for their continuity staff are adaptable to changing circumstances and a variety of emergencies.

I&A's COOP plan includes the required procedures and guidance on human resource issues related to continued operations. I&A has a comprehensive plan that responds to the threats its employees are likely to encounter during an emergency. The plan includes the human factors that need to be considered during a crisis, such as expected roles and responsibilities, staffing, pay, and notification protocols. The plan indicates detailed administrative and personnel services support procedures for deploying I&A staff during an emergency. I&A has addressed telework as an emergency strategy in its COOP plan and program, albeit on a limited basis because of the classified networks and databases needed to complete I&A's mission. I&A's draft plan will address the use of existing DHS component field infrastructures and consider other options such as joint or shared facilities.

### **Recommendations**

We recommend that the Under Secretary for Intelligence and Analysis/Chief Intelligence Officer:

**Recommendation #1:** Develop an I&A COOP policy to codify COOP roles and responsibilities of all I&A divisions and offices in maintaining and enhancing COOP plans.

**Recommendation #2:** Include all I&A division-level Essential Functions as annexes in I&A's overall COOP Plan.

**Recommendation #3:** Use the current emergency relocation site as an interim location for I&A devolution and establish a combined permanent and rotational cadre of I&A personnel to staff the site,

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while continuing to pursue options for establishing an emergency relocation site.

**Recommendation #4:** Incorporate no-notice exercises that include realistic and factually based scenarios to simulate real-world threats, hazards, incidents, and events to gauge and evaluate I&A's COOP program functionality.

**Recommendation #5:** Conduct hot washes or similar actions to create After Action Reports for all COOP exercises or real-world events when COOP activation is considered or actual execution occurs, and use these reports to enhance COOP program capabilities.

We evaluated the consolidated I&A and USCG written comments and have made changes to the report where we deemed appropriate. A summary of the written response to the report recommendations and our analysis of the response follow each recommendation. A copy of Department's consolidated response, in its entirety, is included as appendix C.

In addition, we received technical comments from I&A and USCG and incorporated these comments into the report where appropriate. I&A concurred with Recommendations 1, 2, 4, and 5, and did not concur with Recommendation 3. USCG concurred with Recommendations 6, 7, and 8 (below). We appreciate the comments and contributions made by each entity.

## **Management Comments and OIG Analysis**

**Management Response:** I&A officials concurred with Recommendation 1. In its response, I&A said it has developed a draft continuity policy to codify the roles and responsibilities of I&A divisions and offices in maintaining and enhancing the program. In addition, I&A's continuity policy provides documentation of nonoperational program requirements, allowing the updated I&A continuity plan to focus on operational requirements and ensuring that continuity applies to all I&A personnel and not just the Emergency Response Group. I&A expects to publish this policy by September 30, 2012.

**OIG Analysis:** We consider I&A's actions responsive to the intent of Recommendation 1, which is resolved and open. This



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recommendation will remain open pending our receipt of the updated I&A continuity policy.

**Management Response:** I&A officials concurred with Recommendation 2. In its response, I&A said it is adding the division-level Essential Functions to the existing I&A continuity plan as well as the Essential Functions annex of the draft updated I&A continuity plan. I&A expects to finalize these by September 30, 2012.

**OIG Analysis:** We consider I&A's actions responsive to the intent of Recommendation 2, which is resolved and open. This recommendation will remain open pending our receipt of the updated I&A Continuity plan and the Essential Functions annex.

**Management Response:** I&A officials did not concur with Recommendation 3. In its response, I&A said that, while this recommendation was valid during OIG fieldwork, because I&A had not identified a devolution site, I&A has since identified a devolution site and is training site personnel to perform the priority I&A Essential Functions and tasks. Rather than invest resources in an interim solution, I&A is focusing on the required equipment and training enhancements for the permanent devolution site. I&A expects to complete the first phase of these enhancements this year. I&A believes these actions address Recommendation 3 and respectfully requests it be closed.

**OIG Analysis:** We consider I&A's actions responsive to the intent of Recommendation 3, which is resolved and open. In response to I&A technical comments, this recommendation was modified from the draft report and now reads as follows:

**Revised Recommendation #3:** Use the current emergency relocation site as an interim location for I&A devolution and establish a combined permanent and rotational cadre of I&A personnel to staff the site, while continuing to prepare devolution site for its role.

This recommendation will remain open pending our receipt of documentation that evidences the plan for the identified devolution site.

**Management Response:** I&A officials concurred with Recommendation 4. In its response, I&A said it will conduct the

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first in a series of annual no-notice COOP exercises to be conducted prior to the end of this calendar year.

**OIG Analysis:** We consider I&A's actions responsive to the intent of Recommendation 4, which is resolved and open. This recommendation will remain open pending our receipt of documentation that evidences the conduct of a no-notice COOP exercise.

**Management Response:** I&A officials concurred with Recommendation 5. In its response, I&A said that rather than conducting a staged hot wash at the conclusion of exercise Eagle Horizon 2011, as was done for Eagle Horizon 2008, 2009, and 2010, I&A required each 2011 participant to complete an observation and a participation form, thereby capturing all I&A Eagle Horizon 2011 participants' issues in writing. The reports were then analyzed by I&A Continuity and Exercise Programs Branch personnel for trends to include in the DHS-wide hot wash, the I&A Eagle Horizon 2011 Quick Look After Action Report, and the I&A Corrective Actions Database. The Corrective Actions Database then tracks the status of in-process and resolved issues. Further, I&A will reincorporate staged hot washes and the creation of After Action Reports at the conclusion of all future COOP exercises and real-world events. I&A believes these actions address Recommendation 5 and respectfully requests it be closed.

**OIG Analysis:** We consider I&A's actions responsive to the intent of Recommendation 5, which is resolved and closed. No further reporting concerning this recommendation is necessary.

## **United States Coast Guard Intelligence and Criminal Investigations**

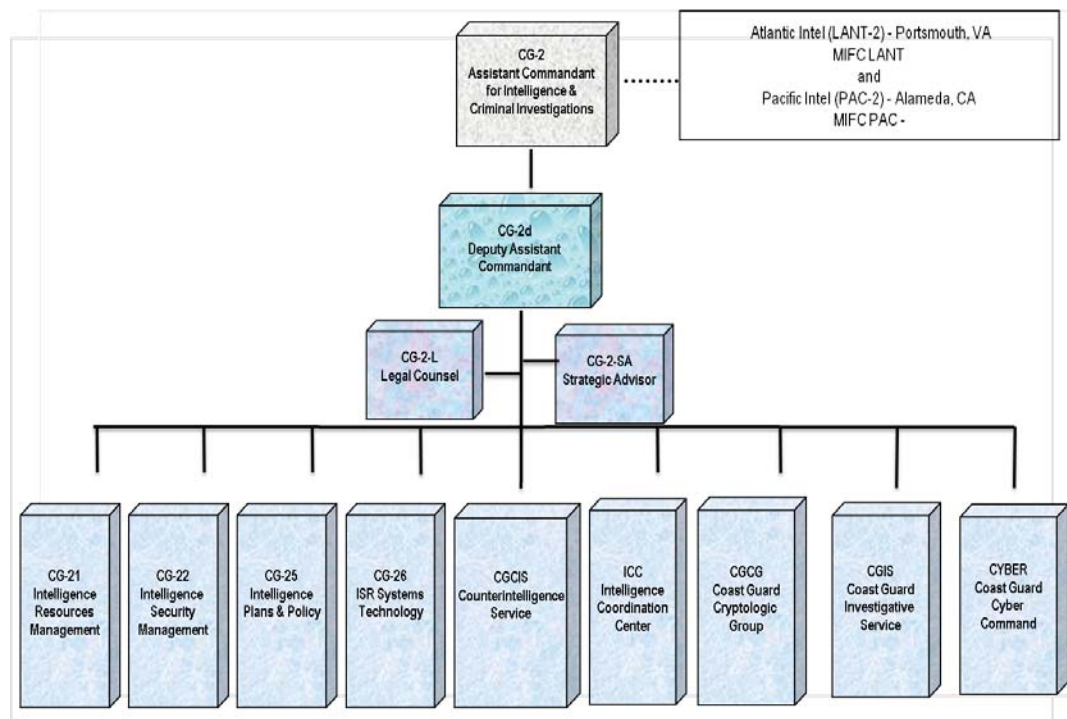
For more than 200 years, USCG has safeguarded our Nation's maritime interests in the heartland, in the ports, at sea, and around the globe. It protects the maritime economy and the environment, defends our maritime borders, saves those in peril at sea, and has the following 11 missions:

- Ports, waterways, and coastal security
- Drug interdiction
- Aids to navigation
- Search and rescue
- Living marine resources

- Marine safety
- Defense readiness
- Migrant interdiction
- Marine environmental protection
- Ice operations
- Other law enforcement

USCG CG-2’s mission is to direct, coordinate, and oversee intelligence and investigative operations and activities that support all USCG objectives.<sup>14</sup> It conducts intelligence activities as defined in Executive Order 12333 and as part of the Law Enforcement Intelligence Program.<sup>15</sup> CG-2 includes headquarters elements as well as elements collocated with other intelligence departments and agencies (see figure 3).

**Figure 3: CG-2 Organizational Structure**



Source: CG-2.

<sup>14</sup> Hereinafter, USCG CG-2 is referred to as CG-2.

<sup>15</sup> Executive Order 12333 § 1.4 requires that the agencies within the IC shall be in accordance with applicable U.S. law and with the other provisions of this order in conducting intelligence activities necessary for the conduct of foreign relations and the protection of the national security of the United States.

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## **COOP Program Evolution**

Due to USCG's military organizational structure and principles, continuity capabilities have always been established in policies and guidance. CG-2 COOP plan development has been continually updated since USCG's inclusion in the IC in 2001. The plan has evolved from being military based to including all requirements in FCD-1. CG-2 leadership and program managers have reshaped COOP policies to satisfy USCG, DHS, and IC requirements. CG-2 senior leaders understand how continuity plans are developed and maintained.

Program officials define COOP as the ability of CG-2 and its leadership to continue performing its Essential Functions in the event that USCG headquarters is unsafe, unusable, or inaccessible. CG-2 must establish an operational capability and perform Essential Functions within 12 hours of COOP activation and sustain those functions for up to 30 days or until normal operations resume.

CG-2 has defined its Essential Functions, participates in government-wide and internal COOP exercises, and conducts periodic informational meetings to identify its COOP preparedness level. USCG officials said they maintain a level of COOP capability that would sustain performance of its Essential Functions.

CG-2 has identified an ERG to ensure continuation of its Essential Functions after COOP activation. If normal USCG operations are disrupted, the Assistant Commandant or a designated successor will activate the CG-2 COOP plan. Members of the ERG will then relocate to their respective alternate operations facilities to continue CG-2's Essential Functions.

### **Support and Planning Efforts**

The COOP program has consistent senior and midlevel leadership support, and senior officials have a stake in ensuring that CG-2 programs comply with all Federal regulations and policies. CG-2 management has recently dedicated more efforts to building COOP awareness and support because it believes more outreach will improve the accountability, oversight, and visibility of its COOP programs.

As of November 2011, CG-2 was using a 2009 plan as guidance. The 2009 plan addresses all the requirements for an effective COOP program. However, prioritization of Essential Functions

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and clearly defined order of succession and delegation of authority need improvement. Prioritization of Essential Functions will help determine where and how resources will be most effective. Order of succession and delegation of authority are two distinct functions, and better delineation is needed in the CG-2 COOP plan. CG-2 is drafting a new plan, which it expects to complete by summer 2012.

CG-2's Office of Plans and Policy Division manage its COOP program. A designated COOP program manager develops, implements, and maintains its COOP plan. CG-2 has trained personnel to develop, maintain, and execute a COOP program within established directives and policies. The CG-2 COOP program manager has other assigned duties. Program officials said that more of the program manager's time should be dedicated to the COOP program; however, other duties may take priority.

The divisions within CG-2 have designated COOP managers who work with COOP program officials to ensure that their plan encompasses all of CG-2. All division-level managers have functional COOP knowledge, with some possessing expert knowledge in maintaining a COOP program. COOP planning occurs at all CG-2 levels and takes into account different USCG work functions, depending on the emergency.

### **Working Group Collaboration**

CG-2 participates in the same external Office of Director of National Intelligence COOP working groups and DHS internal working groups as I&A. CG-2 provides a different perspective to the working groups because of USCG's unique mix of missions—military, law enforcement, and intelligence.

## **Implementing Federal Continuity Directive-1 Requirements**

### **Essential Functions**

Each Essential Function contains Essential Tasks that support each function. CG-2's Essential Functions are as follows:

- Protective service operations for the USCG Commandant and Vice Commandant, or alternates
- Intelligence support to USCG senior leadership and DHS

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- Intelligence systems/information technology and related connectivity
  - Physical/personnel security systems and safeguards
  - Intelligence support to area and subordinate field commanders
  - Investigative operations in support of area and subordinate field commanders
  - Counterintelligence operations
  - IC requirements: Continued support for all necessary IC requirements

As a result of changes in processes and new information, CG-2's 2009 COOP plan needs to be updated. COOP personnel said the Essential Functions and annexes need to be updated and prioritized. Because USCG is a multimission organization, prioritization will be challenging, but necessary to execute duties, allocate resources, and perform exercises more effectively. Until the plan is revised, it is difficult to assess which areas require resource modification.

### **Alternate Operating Facilities**

CG-2 COOP personnel deploy to multiple locations during a COOP event. The specific relocation site will be determined by the Commandant or successor based on the nature of the incident or threat. However, as of November 2011, the location for all scenarios is the Operations Systems Center for the Intelligence Command Center for CG-2 essential staff and USCG Atlantic area headquarters for CG-2 Deputy Commandant and the Vice Commandant. CG-2 offices and members colocated with a hosting organization will work with that organization in support of USCG functions. Also, CG-2 personnel may need to relocate to the Bluemont Emergency Relocation Site with DHS intelligence elements.

The Operations Systems Center is a government-owned, contractor-operated facility, which provides full support for the operationally focused USCG automated information systems. The Operations Systems Center has a full-time staff that maintains all its information systems. The center meets FCD-1 requirements for an alternate operating facility, and its configuration supports USCG and its 11 mission areas. The Operations Systems Center has space to accommodate current CG-2 COOP requirements and

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maintains unclassified, SECRET, and TOP SECRET systems needed to continue CG-2's Essential Functions.

### **Orders of Succession**

The COOP plan states that order of succession will occur in the absence, disability, or death of the CG-2 Assistant Commandant. Successors to the position of Assistant Commandant will serve until CG-2 is able to return to duty or a successor is chosen by the USCG Commandant.

However, the plan does not clearly establish order of succession. No wording or displays illustrate who will succeed the Assistant Commandant or other positions if the person is unavailable to assume command.

### **Delegations of Authority**

The CG-2 COOP plan includes predelegation of authorities that are in compliance with FCD-1 for making policy determinations and decisions at headquarters and other organizational locations.

However, under delegation of authorities, two charts allude to succession of the program management and the delegation of authority for the intelligence advisors.<sup>16</sup> This may lead to confusion over who is the successor for the CG-2 program and who has intelligence advisor authority. USCG headquarters COOP officials said the plan's succession of command and delegations of authority need to be better defined.

### **Devolution Planning**

USCG headquarters devolution planning supports overall continuity planning and addresses multiple threats and all-hazards emergency events that may render USCG leadership unavailable or incapable of supporting the execution of its Essential Functions from either USCG headquarter or alternate operating facilities.

USCG headquarters' Disaster and Continuity Division has developed a devolution option for continuity that incorporates succession of command and geographical separation of leadership, and addresses how USCG will conduct Essential Functions during an increased threat situation or in the aftermath of a catastrophic

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<sup>16</sup> CG-2 COOP plan, August 2009.

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emergency. When the Commandant or a Continuity of Government Readiness change directs geographic separation of leadership, the ERG will proceed to Atlantic Area Headquarters. When the Commandant is unable to perform his or her duties, the Vice Commandant will assume the office and perform the duties with the support of the ERG and the Atlantic Area staff.

### **Vital Records Program**

CG-2's COOP plan identifies each vital record and its current location. The plan states that each record is accessible electronically at the primary facility in addition to being pre-positioned electronically at the alternate operating facilities. To ensure the redundancy and personnel resources needed to perform current missions, USCG requires each CG-2 member to have a "drive away kit." The kit is to include any paper-based copies of the vital records needed to perform an Essential Function, Essential Task, or any other important function while operating under COOP conditions.

However, COOP officials said that the Vital Records Program needs to define responsibilities, checklists, overall duties, and missions better.

### **Interoperable Communications**

CG-2 has interoperable and redundant systems available to support communication with employees, Department leadership, and other elements and locations during an emergency. CG-2 program officials said that USCG has multiple communication modes at its alternate operating facilities, including unclassified, SECRET, and TOP SECRET levels. The USCG headquarters Intelligence Security Management Division has continuity of communications at the primary workplace and the alternate operating facilities. At the facilities, USCG has full-time site coordinators with staff to ensure that communications are reliable and continuously updated.

USCG alternate operating facilities can communicate with all IC members' systems through the use of the Joint Worldwide Intelligence Communication System and secure telephones and fax machines. CG-2 can receive, coordinate, and deliver information at all classification and security levels. At each alternate operating facility, CG-2 personnel have access to all files and databases to continue Essential Functions.



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CG-2 uses the Government Emergency Telecommunications Service and the Wireless Priority Service to ensure access to telephone and wireless communications to contact and coordinate with personnel in an emergency. All CG-2 personnel have cellular telephones. In some situations, personal pagers can be used in classified spaces.

### **Test, Training, Exercise, and Evaluation Program**

Testing, training, and exercising COOP capabilities are essential to demonstrate, assess, and improve CG-2's ability to execute COOP plans. Training familiarizes COOP personnel with the Essential Functions and Essential Tasks they may have to perform in an emergency. Periodic testing also ensures that equipment is available and maintained and procedures are validated.

The USCG National Command Center can activate the COOP notification process by using the Alert and Notification automated system. The senior officer available within CG-2 can also use the phone tree method to activate CG-2 COOP.

CG-2 participates in several internal and government-wide COOP exercises. Its test, training, and exercise program works in concert with USCG's overall headquarters plan. The program validates, identifies issues for subsequent correction, and specifies aspects of COOP capabilities, procedures, systems, and facilities used in response to an emergency.

CG-2's continuity training and exercises sufficiently prepare and assess USCG's ability to conduct its Essential Functions during a significant emergency. However, CG-2 training could benefit from more realistic scenarios and better participation among all divisions. For example, during the National-Level Exercises, CG-2's primary focuses are testing equipment, communication systems, and access to records. However, CG-2 has not tested full COOP capability, as scenarios have not required complete resource deployment.

### **Evaluation**

CG-2 has a consistent process for addressing recommendations or gaps identified from lessons learned during exercises. The 2009 and 2010 National-Level Exercise reports we reviewed contained sections where the COOP manager identifies action items and recommendations on how to complete those items, and designates

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which staff or group is responsible for each item. The After Action Reports were in the same format; however, they contained no consistent completion schedules.

After an exercise, initial comments are collected, with approximately 30 days allowed to draft an After Action Report. Comments come from feedback questions generated by the COOP program managers. A series of working group meetings are held to address issues that should be included in a corrective action plan. The plan attempts to prioritize what should be worked on to respond to real-world threats.

CG-2 uses the FEMA Continuity Evaluation Tool to assess elements of continuity outlined in FCD-1 and FCD-2. It also uses reports from DHS headquarters and I&A as part of the internal DHS working groups. Each division COOP team is responsible for collecting and recording its lessons learned or feedback. The lessons learned are incorporated into corrective action plans for CG-2, but can also be elevated for incorporation into overall USCG headquarters and DHS headquarters lessons learned. Although there is no mandate for divisions to share feedback outside USCG, CG-2 has a standard general practice to voluntarily provide feedback and follow up input from COOP lessons learned and After Action Reports to USCG headquarters COOP and planning offices, the Office of the Director of National Intelligence Exercise and Plans Office, I&A, and DHS headquarters.

Lessons learned are incorporated into the COOP plan as solutions or enhancements for corrective action. According to CG-2 COOP program officials, when new lessons learned are not in the plan, new guidance for the next exercise or emergency may be issued.

### **Reconstitution**

The USCG headquarters COOP plan states that the Commanding Officer of the Headquarters Support Command is responsible for reconstitution activities for USCG headquarters, which ensure that adequate facilities are available to house and support the Commandant and headquarters staff in a COOP environment.

CG-2 is responsible for coordinating with Headquarters Support Command to ensure that space, systems, records, and security requirements are met at the reconstituted site. When that is not feasible, CG-2 will decide how to house USCG's Intelligence

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Program assets and resources to ensure that all Essential Functions and Essential Tasks are fulfilled to the extent possible.

### **Human Capital and Resources**

CG-2's COOP plan includes the required procedures and guidance on human resource issues related to continued operations. The plan covers human capital resources and addresses the flexibilities that exist to assist managers and employees in an emergency. The plan covers communicating with employees, recall processes, pay and staffing flexibilities, and employee roles and responsibilities.

CG-2's plan also ensures that COOP capabilities take advantage of existing field infrastructures and considers other options, such as telecommuting locations, residential telework, virtual offices, and joint or shared facilities. Individuals who are unable to reach the alternate operating facilities and those who are not mission essential have options in communicating with managers and leadership to continue the USCG mission.

## **Recommendations**

We recommend that the CG-2 Assistant Commandant for Intelligence and Criminal Investigations:

**Recommendation #6:** Determine Essential Function priorities and appropriate resource requirements for each function in the updated CG-2 COOP plan.

**Recommendation #7:** Clearly list and define order of succession and delegations of authority in the updated COOP plan and include the orders of succession in Vital Records, as stated in FCD-1.

**Recommendation #8:** Incorporate no-notice exercises into COOP testing and training and base such exercises on real-world scenarios that are focused on the CG-2 mission.

## **Management Comments and OIG Analysis**

**Management Response:** USCG officials concurred with Recommendation 6. In its response, USCG said that the corrective action plan will include a new section in the COOP plan that identifies each CG-2 office and/or unit's Essential Function priorities and the appropriate resource requirements assigned to

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each function. USCG expects to incorporate this recommendation into the updated CG-2 COOP plan by October 1, 2012.

**OIG Analysis:** We consider USCG's actions responsive to the intent of Recommendation 6, which is resolved and open. This recommendation will remain open pending our receipt of the updated CG-2 COOP plan.

**Management Response:** USCG officials concurred with Recommendation 7. In its response, USCG said that the corrective action plan will include a new section in the COOP plan that identifies each CG-2 office and/or unit's order of succession and delegations of authority. This section will also include orders of succession in Vital Records, as stated in FCD-1. USCG expects to incorporate this recommendation into the updated CG-2 COOP plan by October 1, 2012.

**OIG Analysis:** We consider USCG's actions responsive to the intent of Recommendation 7, which is resolved and open. This recommendation will remain open pending our receipt of the updated CG-2 COOP plan.

**Management Response:** USCG officials concurred with Recommendation 8. In its response, USCG said that the corrective action plan will include a new section in the COOP plan that details incorporating no-notice exercises into COOP testing and training, basing such exercises on real-world scenarios that are focused on the CG-2 mission. The results and lessons learned from the exercise will be documented in After Action Reports. USCG expects to incorporate this recommendation into the updated CG-2 COOP plan by October 1, 2012.

**OIG Analysis:** We consider USCG's actions responsive to the intent of Recommendation 8, which is resolved and open. This recommendation will remain open pending our receipt of the updated CG-2 COOP plan.

## **Conclusion**

I&A and CG-2 have developed COOP plans that enable personnel to conduct Essential Functions at their alternate operating facilities during emergencies. Both plans establish alternate work sites, interoperable communications, and dedicated resources, enabling Essential Functions to

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be performed. I&A and CG-2 program offices have made COOP planning a priority and aligned their programs with Federal regulations and guidelines.

With complete COOP plans, I&A and CG-2 are able to support, coordinate, and direct homeland security issues. As a result, DHS' IC members are prepared to provide essential services during a significant national event.

## Appendix A

### Purpose, Scope, and Methodology

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In January 2010, the Assistant Inspectors General for Inspections Working Group of the Intelligence Community Inspectors General Forum agreed to conduct evaluations of COOP and Intelligence Readiness programs within their organizations. These evaluations were to assess COOP for elements and capabilities in each organization that are funded by the National Intelligence Program.

Within DHS, I&A and CG-2 are responsible for ensuring the integration and continuity of intelligence to and from the IC during regular operational periods and national emergencies.

We assessed the status of the I&A and CG-2 COOP programs that pertain to the IC and determined whether policies, guidance, and processes are effective; whether Essential Functions can be performed during a wide range of emergencies; and the capability for sharing information between DHS and the IC. Specifically, our objectives were to determine whether—

- The definitions of COOP that I&A and CG-2 use align with the National Continuity Policy;
- I&A and CG-2 COOP plans adequately address requirements set forth in the National Continuity Policy;
- COOP training and exercises test capabilities and identify potential areas of improvement; and
- New planning efforts incorporate lessons learned and corrective actions from prior exercises or actual events.

To achieve our objectives, we reviewed documents such as guidance, policies, procedures, and plans, and performed data analysis of information provided by DHS regarding organizational COOP. We interviewed DHS officials who have a role in preparing, planning, maintaining, and implementing COOP, as well as officials from the Federal Bureau of Investigation and Department of State. This allowed us to assess the effectiveness of DHS efforts and the level of collaboration among DHS components, external Federal departments and agencies, and the IC.

Our review began in June 2011 and concluded in November 2011. We initiated this review under the authority of the *Inspector General Act of 1978*, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

## Appendix B Recommendations

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We recommend that the Under Secretary for Intelligence and Analysis/Chief Intelligence Officer:

**Recommendation #1:** Develop an I&A COOP policy to codify COOP roles and responsibilities of all I&A divisions and offices in maintaining and enhancing COOP plans.

**Recommendation #2:** Include all I&A division-level Essential Functions as annexes in I&A's overall COOP Plan.

**Revised Recommendation #3:** Use the current emergency relocation site as an interim location for I&A devolution and establish a combined permanent and rotational cadre of I&A personnel to staff the site, while continuing to prepare devolution site for its role.

**Recommendation #4:** Incorporate no-notice exercises that include realistic and factually based scenarios to simulate real-world threats, hazards, incidents, and events to gauge and evaluate I&A's COOP program functionality.

**Recommendation #5:** Conduct hot washes or similar actions to create After Action Reports for all COOP exercises or real-world events when COOP activation is considered or actual execution occurs, and use these reports to enhance COOP program capabilities.

We recommend that the CG-2 Assistant Commandant for Intelligence and Criminal Investigations:

**Recommendation #6:** Determine Essential Function priorities and appropriate resource requirements for each function in the updated CG-2 COOP plan.

**Recommendation #7:** Clearly list and define order of succession and delegations of authority in the updated COOP plan and include the orders of succession in Vital Records, as stated in FCD-1.

**Recommendation #8:** Incorporate no-notice exercises into COOP testing and training and base such exercises on real-world scenarios that are focused on the CG-2 mission.

## Appendix C

### Management Comments to the Draft Report

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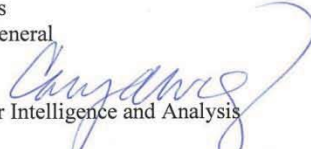
U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

APR 13 2012

MEMORANDUM FOR: Charles K. Edwards  
Acting Inspector General

FROM: Caryn A. Wagner   
Under Secretary for Intelligence and Analysis

SUBJECT: Draft Report OIG-10-150-ISP-I&A, USCG, *DHS' Intelligence Community Members' Continuity of Operations and Intelligence Readiness*

The Office of Intelligence and Analysis (I&A) and the US Coast Guard (USCG) appreciate the opportunity to review and comment on the Office of Inspector General (OIG) draft report OIG-10-150-ISP-I&A, USCG, *DHS' Intelligence Community Members' Continuity of Operations and Intelligence Readiness*. I&A and USCG CG-2 are actively resolving the issues identified in the report.

**For recommendations directed to the Under Secretary for Intelligence and Analysis/Chief Intelligence Officer:**

**Recommendation #1:** Develop an I&A Continuity of Operations (COOP) policy to codify COOP roles and responsibilities of all divisions and offices in maintaining and enhancing COOP plans.

**DHS Response: Concur.** I&A has developed a draft continuity policy to codify the roles and responsibilities of I&A divisions and offices in maintaining and enhancing the program. Additionally, the I&A Continuity Policy provides documentation of non-operational program requirements, allowing the updated I&A Continuity Plan to focus on operational requirements and ensuring that continuity applies to all I&A personnel and not just the Emergency Response Group. I&A expects to publish this policy by September 30, 2012.

**Recommendation #2:** Include all I&A division-level Essential Functions as annexes in I&A's overall COOP Plan.

**DHS Response: Concur.** I&A is adding the division-level Essential Functions to the existing I&A Continuity Plan as well as the Essential Functions Annex of the draft updated I&A Continuity Plan. I&A expects to finalize these by September 30, 2012.



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**Recommendation #3:** Use the current emergency relocation site as an interim location for I&A devolution and establish a combined permanent and rotational cadre of I&A personnel to staff the site while continuing to pursue options for establishing an emergency relocation site.

**DHS Response: I&A Does Not Concur.** While this recommendation was valid during the OIG's fieldwork because I&A had not identified a devolution site, I&A has since identified a devolution site and is training site personnel to perform the priority I&A essential functions and tasks. Rather than invest resources in an interim solution, I&A is focusing on the required equipment and training enhancements for the permanent devolution site. I&A expects to complete the first phase of these enhancements this year.

*I&A believes these actions address the intent of the recommendation and respectfully requests this recommendation be closed.*

**Recommendation #4:** Incorporate no-notice exercises that include realistic and factually based scenarios to simulate real-world threats, hazards, incidents, and events to gauge and evaluate I&A's COOP program functionality.

**DHS Response: Concur.** I&A will conduct the first in a series of annual no-notice COOP exercises to be conducted prior to the end of this calendar year.

**Recommendation #5:** Conduct hot washes or similar actions to create After Action Reports for all COOP exercises or real-world events when COOP activation is considered or actual execution occurs, and use these reports to enhance COOP program capabilities.

**DHS Response: Concur.** Rather than conducting a staged hot wash at the conclusion of Exercise EAGLE HORIZON (EH) 11, as was done for EH 8, 9, and 10, I&A required each EH 11 participant to complete an observation and a participation form, thereby capturing all I&A EH 11 participants' issues in writing. The reports were then analyzed by I&A Continuity and Exercise Programs Branch personnel for trends to include in the DHS-wide hot wash, the I&A EH 11 Quick Look After Action Report, and the I&A Corrective Actions Database. The Corrective Actions Database then tracks the status of in-process and resolved issues. Further, I&A will reincorporate staged hot washes and the creation of After Action Reports at the conclusion of all future COOP exercises and real-world events.

*I&A believes these actions address the recommendation and respectfully requests this recommendation be closed.*

**For recommendations directed to the CG-2 Assistant Commandant for Intelligence and Criminal Investigations:**

**Recommendation #6:** Determine Essential Function priorities and appropriate resource requirements for each function in the updated CG-2 COOP plan.

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**USCG CG-2 Response: Concur.** The corrective action plan will include a new section in the COOP plan that identifies each CG-2 office and/or units essential function priorities and the appropriate resource requirements assigned to each function. USCG expects to incorporate this recommendation into the updated CG-2 COOP plan by October 1, 2012.

**Recommendation #7:** Clearly list and define order of succession and delegations of authority in the updated COOP plan and include the orders of succession in Vital Records, as stated in FCD-1.

**USCG CG-2 Response: Concur.** The corrective action plan will include a new section in the COOP plan that identifies each CG-2 office and/or units' order of succession and delegations of authority. This section will also include orders of succession in Vital Records, as stated in FCD-1. USCG expects to incorporate this recommendation into the updated CG-2 COOP plan by October 1, 2012.

**Recommendation #8:** Incorporate no-notice exercises into COOP testing and training and base such exercises on real-world scenarios that are focused on the CG-2 mission.

**USCG CG-2 Response: Concur.** The corrective action plan will include a new section in the COOP plan that details incorporating no-notice exercises into COOP testing, and training basing such exercises on real-world scenarios that are focused on the CG-2 mission. The results and lessons learned from the exercise will be documented in after-action reports. USCG expects to incorporate this recommendation into the updated CG-2 COOP plan by October 1, 2012.

We look forward to continuing our work with you to ensure all required actions are completed. Should you require additional information, please do not hesitate to contact me or have your staff contact Keith Jones at 202-282-9553 or David Plaza at 202-447-3099.

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**Appendix D**  
**Major Contributors to This Report**

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Marcia Moxey Hodges, Chief Inspector  
Anthony Crawford, Team Leader  
Ryan Cassidy, Inspector

## **Appendix E**

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