



Department of Homeland Security Office of Inspector General

Management and Oversight of Immigration and Customs Enforcement Office of International Affairs Internal Controls for Acquisitions and Employee Integrity Processes





Homeland
Security

January 25, 2010

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 Immigration and Customs Enforcement Office of International Affairs internal controls for acquisitions and employee integrity processes. 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 cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

Table of Contents/Abbreviations

Executive Summary	1
Background.....	2
Results of Review	8
Improvements Have Been Made; Vulnerabilities Remain in Overseas Procurement ...	8
Recommendations.....	11
Management Comments and OIG Analysis	12
ICE OIA Needs to Improve Oversight of Field Offices	12
Recommendations.....	17
Management Comments and OIG Analysis	17
ICE OIA Needs to Ensure Compliance With Foreign Tour of Duty Policy.....	18
Recommendations.....	20
Management Comments and OIG Analysis	20

Appendices

Appendix A: Purpose, Scope, and Methodology.....	21
Appendix B: Management Comments to the Draft Report	22
Appendix C: ICE Assistant Secretary Memorandum to DHS Deputy Secretary.....	25
Appendix D: Major Contributors to This Report	31
Appendix E: Report Distribution	32

Abbreviations

DHS	Department of Homeland Security
DOS	Department of State
DOSAR	Department of State Acquisition Regulation
FAR	Federal Acquisition Regulation
FMC	Financial Management Center
FY	Fiscal Year
GAO	Government Accountability Office
GSO	General Services Office
ICE	Immigration and Customs Enforcement
ICECAPS	Immigration and Customs Enforcement Contract and Acquisition Procedures
IT	Information Technology
OAQ	Office of Acquisition Management, Immigration and Customs Enforcement
OIA	Office of International Affairs, Immigration and Customs Enforcement
OIG	Office of Inspector General
OPR	Office of Professional Responsibility, Immigration and Customs Enforcement
SIP	Self Inspection Program

OIG

*Department of Homeland Security
Office of Inspector General*

Executive Summary

The criminal investigation of a senior U.S. Immigration and Customs Enforcement Office of International Affairs official identified potential vulnerabilities in a number of internal controls. Internal controls are vital in managing an organization and helping prevent fraud, waste, and abuse. We reviewed what management review and oversight is performed to ensure that employees understand and are following applicable procurement policies and procedures. We assessed the effectiveness of internal controls to prevent or detect the unauthorized acquisition, use, or disposition of assets. We also reviewed whether policies and procedures are tested periodically to ensure that internal controls are working as intended.

Immigration and Customs Enforcement has made improvements to its policies, procedures, and internal controls. Specifically, acquisition procedures for both armored and non-armored vehicles for overseas offices have been improved. In addition, a policy change regarding the use of liaison expenditure funds requires additional documentation and prior headquarters approval for the use of specific levels of funds.

However, Immigration and Customs Enforcement needs additional controls to address remaining vulnerabilities. We are recommending that Immigration and Customs Enforcement develop and implement control measures over acquisitions abroad, as well as a plan to oversee acquisition activities. In addition, we are recommending that Immigration and Customs Enforcement provide additional guidance to staff overseas to ensure that they understand their roles and responsibilities in managing property. Finally, we are recommending that Immigration and Customs Enforcement establish procedures to track compliance with the foreign tour of duty policy.

Background

The criminal investigation of a senior U.S. Immigration and Customs Enforcement (ICE) Office of International Affairs (OIA) supervisory official identified potential vulnerabilities in a number of ICE OIA internal controls. Specifically, the investigation identified potential vulnerabilities in acquisitions processes and human resources policies. These vulnerabilities enabled the senior ICE OIA official to be involved in, and achieve personal gain from, several fraudulent activities. The senior official subsequently pled guilty and was convicted of the charges against him. When ICE learned of the senior official's activities, they conducted a review of policies, procedures, and existing internal controls and implemented changes to prevent other ICE employees from taking advantage of the vulnerabilities.

ICE Office of International Affairs

ICE OIA has 54 offices in U.S. embassies and consulates in 42 countries. ICE personnel overseas coordinate investigations with foreign law enforcement counterparts and acquire and develop intelligence related to cross-border criminal activities involving people, goods, and technology. In addition, ICE personnel provide investigative case support to domestic and international ICE offices, refer requests from host country agencies to ICE domestic investigative offices, and assist in removal operations by coordinating ICE efforts to transport removed aliens to their countries of origin. An ICE attaché or assistant attaché directs each overseas office.

ICE OIA headquarters is organized into three divisions. International Operations works to identify, disrupt, and dismantle transnational criminal organizations; provides oversight for ICE investigations conducted abroad; and coordinates and supports domestic investigations within ICE and with DHS and foreign counterparts.

ICE OIA Mission Support provides administrative guidance and financial support to ICE OIA operations and investigations. The division's responsibilities include hiring and recruiting; time and attendance; personnel management; relocations and rotations; managing budget formulations and accounts, financial resources, and analysis; contracting and procurement; property and inventory; fleet management; travel administration; and developing document retention and records management practices.

The International Programs division manages ICE OIA's international programs and policy, including ICE involvement in multilateral organizations; coordination of international training and assistance; liaison with external agencies, such as Interpol or the Department of State (DOS); and the Visa Security Program.

ICE Office of International Affairs Internal Controls

In a September 2007 memorandum, after learning of the senior official's criminal activities, the ICE Assistant Secretary informed the DHS Deputy Secretary of ICE OIA's current and planned actions to ensure that all ICE OIA employees understand and follow the procedures related to acquisitions, human resources, ethics, and integrity awareness, and ensure that ICE OIA management monitors those activities.¹ According to the memorandum, ICE OIA constantly evaluates its policies, procedures, and guidance to provide oversight of ICE OIA employees. Until new policies and procedures are developed, ICE OIA continues to use preexisting policies from legacy agencies and interim guidance.

Overseas offices receive acquisition support from DOS personnel who are responsible for executing procurement contracts in accordance with federal and DOS regulations, policies, and procedures. ICE OIA receives a report from DOS of all contractual actions executed on behalf of ICE. According to the September 2007 memorandum, the ICE Office of Acquisition Management (OAQ) will review the reports and randomly sample transactions to ensure that ICE OIA offices maintain proper supporting documentation, including justification for the use of noncompetitive procedures. As an additional internal control, attaché offices must submit written requests through their headquarters operations manager to fund items not included in their current budget. After reviewing the request for completeness, accuracy, and justification, the desk officer forwards the request to the appropriate management level for approval based on the amount of the request. All requests exceeding \$25,000 require the ICE OIA director's approval.

ICE Office of Professional Responsibility (OPR) and Employee Labor Relations vets individuals selected for ICE OIA overseas positions. Individuals must pass a background investigation to determine their suitability for employment and before being granted a security clearance. Prior to deployment, individuals

¹ See appendix C for a copy of the memorandum.

attend orientation training at ICE OIA headquarters, which addresses mission-oriented programs and processes.

According to the memorandum, ICE OIA ensures compliance with integrity expectations through formal policies, training, oversight, and an office self-inspection process. In addition to predeployment training, employees receive additional training when they arrive at their overseas assignment. All ICE OIA employees also participate in annual mandatory training through ICE's Virtual University. That training includes integrity, computer security, and prevention of sexual harassment. In addition, general ethics training has been incorporated into the curriculum at regional attaché conferences.

Self Inspection Program

The Self Inspection Program (SIP) is designed to build management accountability and foster professional integrity by evaluating offices on core areas that are susceptible to corruption, vulnerability, or are critical to mission performance. The overall ICE-wide management of the SIP is the responsibility of the OPR Management Inspection Unit. Because ICE OIA was part of the ICE Office of Investigations until February 2007, all ICE OIA offices completed the ICE Office of Investigations SIP annually prior to 2007. In February 2007, ICE OIA began working with OPR to create an OIA-specific self-inspection program to address the unique characteristics of the international environment.

During self-inspections, each ICE office reviews its practices in specific areas using worksheets designed by ICE OPR. The worksheets cover universal core areas that apply to all ICE components plus areas unique to one or more, but not all, ICE components, such as ICE OIA. For example, both ICE OIA and the Office of Investigations would inspect their case management practices, but this area would not be applicable for Detention and Removal Operations. ICE OPR notifies component offices that they must complete a self-inspection of their office within a specified period. During the designated period, each office in that component retrieves the worksheets from OPR and completes a self-inspection. The principal officer for each office—the attaché for ICE OIA offices abroad—then certifies the self-inspection results and submits a certification memorandum and audit trail documentation to ICE OPR. Offices are required to maintain the records of the self-inspection for three fiscal years following completion.

ICE OPR oversees the content of the SIP and adds or removes areas and activities as appropriate for future years. For the initial OIA-specific SIP conducted in April 2009, the universal areas were management responsibilities, travel administration, purchase card, asset management, and information technology (IT) security. Examples of specific activities reviewed in these areas included whether travel authorizations and vouchers were filed timely and whether employees have completed mandatory training classes. The additional areas included specifically for ICE OIA included case management, confidential informants, financial responsibilities, and firearms program. Examples of specific activities reviewed in these areas included whether investigative cases were opened and initial case reports were filed timely and whether liaison expenditures were appropriately documented.

In addition to the SIP, both OPR and ICE OIA management conduct field inspections of a sample of attaché offices. OPR's Management Inspection Unit tries to conduct full field inspections of each ICE office, including overseas offices, every four years. During its field inspections, OPR performs an in-depth review of the office's operations and records, including a review of the office's SIP results and verification of their accuracy. Upon completion of the field inspection, OPR issues a report identifying any deficiencies and makes recommendations as appropriate. The office then has 45 days to create a corrective action plan to address any deficiencies. OPR tracks deficiencies in a database for both self-inspections and field inspections.

ICE OIA management bases its field inspections of attaché offices on the SIP. However, according to a senior ICE OIA official, ICE OIA concentrates more on management responsibilities while OPR concentrates more on the other SIP areas. The OIA inspection team reviews and verifies the office's SIP worksheets and documentation during its field inspection. ICE OIA committed to conducting field inspections of a selection of attaché offices each year. In fiscal year (FY) 2008, ICE OIA conducted inspections at 11 overseas offices. ICE OIA management is still determining how and when offices will be selected for field inspections, but plans to inspect each attaché office every four years.

Internal Control Requirements

Implementing appropriate internal controls is vital to achieving an agency's mission and goals and helping prevent fraud, waste, and abuse. Internal controls include the organization, plans, policies, and procedures established to meet an agency's mission, goals, and

objectives. The *Federal Managers Financial Integrity Act of 1982* requires each executive agency head to establish internal controls that reasonably ensure effective and efficient government operations, reliable financial reporting, and compliance with applicable laws and regulations.² Office of Management and Budget Circular A-123 provides internal control standards and guidance for executive agency managers regarding developing, assessing, correcting, and reporting on internal control.³ The circular also describes management's responsibility for developing and maintaining internal controls that meet the Act's objectives.

According to the U.S. Government Accountability Office (GAO), internal controls serve as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. Internal controls provide reasonable, although not absolute, assurance of the prevention or prompt detection of the unauthorized acquisition, use, or disposition of funds, property, and other assets. Federal program managers set the objectives, establish control processes, monitor, and evaluate the controls.

The following five standards for internal controls outline the minimum level of quality acceptable for internal controls in the federal government:

- control environment,
- risk assessment,
- control activities,
- information and communications, and
- monitoring.

The control environment provides the foundation for all the other standards. A positive control environment encompasses many factors, including senior management establishing and promoting values and guidance for integrity, ethics, and proper behavior, as well as appropriately disciplining staff when necessary. Other factors affecting a positive control environment include the agency's organizational structure and clear definitions and delegation of authorities and responsibilities.

An agency's control activities help ensure that risks are addressed. They include policies and procedures that cover the following:

- physical control of vulnerable assets,

² 31 USC 3512(c)(1)

³ OMB Circular No. A-123, Revised, December 21, 2004.

-
- segregation of duties,
 - authorization and implementation of transactions involving agency resources by authorized staff, and
 - creation and maintenance of records and documentation demonstrating proper implementation of these activities.

ICE OIA Overseas Procurement

ICE OIA offices located outside the United States must follow the same requirements and regulations pertaining to acquisitions that ICE domestic offices and other federal executive agencies must follow when acquiring goods and services. The Federal Acquisition Regulation (FAR) governs federal acquisitions of goods and services using appropriated funds. To facilitate compliance with the FAR by all ICE offices, ICE OIA established ICE Contracts and Acquisition Procedures (ICECAPS), which specify required steps to be followed throughout the acquisitions process. Because DOS provides on-site acquisition support for foreign ICE offices, ICE overseas procurements also must adhere to DOS acquisitions regulations and requirements.

DOS supports ICE OIA overseas procurements through the General Services Office (GSO) and Financial Management Center (FMC) at U.S. embassies and consulates. GSO contracting officers are the federal government's authorized agents for soliciting offers and for negotiating, awarding, modifying, and terminating contracts at U.S. posts abroad. GSO's procurement and shipping/receiving staff also support the acquisition process. FMC personnel obtain funding and account information from the ICE attaché office and execute payment to vendors.

ICE OIA begins the acquisitions process by submitting an attaché-approved procurement request to GSO. GSO searches for vendors, obtains price information, gets quotes as required by federal regulations, and collaborates with ICE OIA to ensure the requirements are met. Once a vendor is selected, GSO creates a purchase order and sends it to ICE OIA for approval. ICE OIA reviews the purchase order, which the attaché signs if approved, and ensures funds availability. GSO then works with the vendor to complete the purchase. Once received, either ICE OIA or the GSO Receiving Office confirms receipt of the good or service, and then GSO sends the invoice to FMC for payment. Typically, FMC staff review the contract, purchase order, and vendor invoice to verify that the information is correct and execute payment. Although the procurement process varies at each overseas post, figure 1 below illustrates the general acquisitions process for ICE attaché offices.

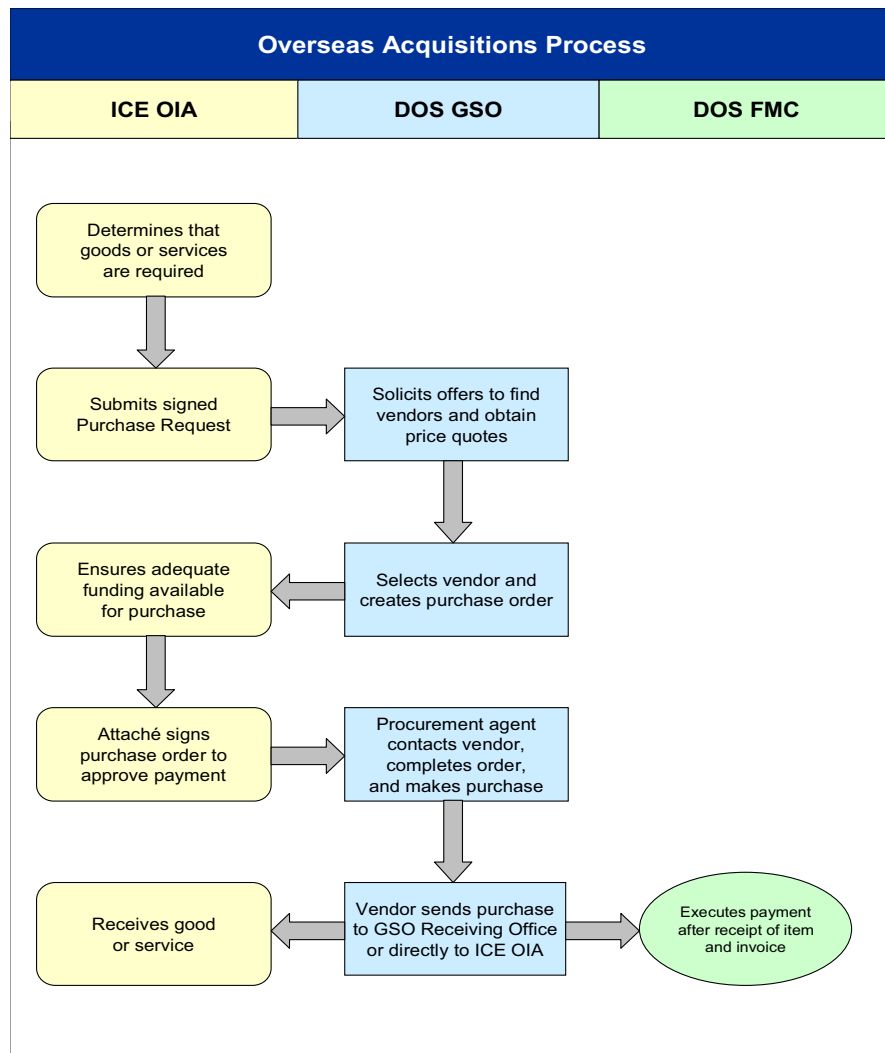


Figure 1. ICE OIA Overseas Acquisitions Process

Results of Review

Improvements Have Been Made; Vulnerabilities Remain in Overseas Procurement

ICE OIA implemented several policy, procedural, and organizational changes to improve its internal controls and reduce the chance that an employee could improperly acquire, use, or dispose of assets. However, vulnerabilities remain in the overseas procurement process.

ICE OIA Changes Reduced Some Internal Controls Vulnerabilities

In November 2007, ICE OIA reorganized the structure of its field office divisions. Prior to November 2007, ICE OIA attaché offices were divided into three geographic areas—Americas; Europe, Africa, and the Middle East; and Asia and the Pacific. In November 2007, ICE OIA split the Americas division into two areas—North America and Central/South America—creating four overall operational areas. An operations chief directs each area. By splitting the Americas area into two separate areas, the respective operations chiefs can provide better oversight over attaché activities.

Vehicle Acquisitions for Field Offices

Prior to FY 2008, individual attaché offices completed the procurement process for all vehicles overseas. After learning that a senior ICE OIA official at one post was able to steer \$2.8 million in sole source U.S. government contracts to a foreign company for purchasing and armoring vehicles, ICE OIA implemented changes to its vehicle acquisition process. Specifically, ICE OIA headquarters now conducts the acquisition of armored vehicles for all overseas offices and sole source purchases are not allowed. All armored vehicles must now be purchased and armored in the United States and then shipped to the foreign post.

Individual attaché offices continue to execute nonarmored vehicle purchases; however, those purchases must be made through the DOS acquisition process at the embassy. All vehicle purchases must be competitively bid. In addition, ICE OIA headquarters must send a procurement cable and a funding cable directly to the post approving the purchase and certifying funds availability.

Liaison Expenditures

In September 2008, ICE OIA issued interim guidance to attaché offices regarding funding for liaison expenditures. ICE representatives use liaison funds to host meals or other social functions for building relationships with law enforcement counterparts in the foreign government. The guidance requires prior ICE OIA headquarters approval of liaison expenditures above \$500, and requires ICE representatives to deduct the cost of his or her meal and beverage—up to \$15 each—from the requested reimbursement. The guidance also requires the ICE representative to draft an internal memorandum documenting the meeting,

including the purpose, related case, list of attendees, expenditure amount, and the deduction for ICE representatives in attendance. The September 2008 guidance ensures that the appropriate level of ICE OIA management knows about significant activities with foreign liaisons.

Additional Controls Needed to Address Remaining Vulnerabilities

While ICE OIA did improve its overseas control environment, vulnerabilities remain in ICE OIA's acquisitions process. Because ICE OIA relies on DOS to complete most of the acquisitions process overseas, ICE OIA must ensure that proper controls exist for the areas under its control.

Overseas, the ICE attaché is the senior approving official and is responsible for purchase activities at posts. All procurement requests and resulting purchase orders require a signature authorizing the purchase. While DOS should process only signed purchase requests, DOS is not responsible for verifying whether attachés have properly authorized ICE purchase requests. ICE is solely responsible for ensuring that attachés, or staff to whom they have delegated their authority, are properly approving purchases. The ICE attaché's review and approval provides a control for authorizing ICE funds at posts overseas. If the attaché is not reviewing and signing all procurement requests and purchase orders, ICE acquisitions are vulnerable to fraud, waste, or abuse.

Conditions in some overseas offices showed vulnerabilities in ICE OIA acquisitions practices. At one post, when the attaché was out of the office, staff used a stamp of the attaché's signature to sign procurement requests and purchase orders. While this practice occurs infrequently under the current attaché, all office staff know the location of and have access to the unsecured signature stamp. A senior ICE OIA headquarters official said that the use of signature stamps is not allowed; however, there is no written policy to support that prohibition. Without this guidance, there is no control over the use of signature stamps at ICE OIA offices overseas, thus creating an opportunity for forged approval signatures on procurement documents.

In addition, our review of procurement documents at one post showed that on several occasions a former attaché and a former mission support specialist had been able to sign approvals for self-reimbursements through electronic fund transfers. Opportunities for misuse and abuse increase when one person controls all

significant phases of the acquisition process. This breaks down the separation of duties that is necessary to maintain effective controls over ICE purchases. Having different people approve, make, receive, and certify payment for a purchase limits opportunity for abuse.

Because it is not DOS' responsibility, ICE must ensure that purchases are authorized and signed properly prior to submission to DOS. At three posts we visited, several procurement requests or purchase orders were submitted to and processed by DOS without the attaché signature. At other posts, DOS was more stringent in verifying the signature of the attaché and recognizing the proper authorities' signatures. At two posts we visited, DOS officials said that documentation outlining proper ICE signatory authorities would be beneficial. However, ICE is not required to provide DOS verification of proper ICE attaché or designee signatures. Absence of this documentation impedes ICE OIA headquarters from conducting effective oversight.

Vulnerabilities in the acquisitions process exist because control measures have not been established for ICE OIA overseas offices. According to GAO, a sound control environment requires that an agency clearly define key areas of authority and responsibility. The control environment also is affected by the manner in which these key areas are delegated throughout the environment. Delegation covers authority and responsibility for operating activities, as well as authorization practices.

Developing control measures for ICE OIA acquisitions operating activities at its foreign posts and providing guidance on authorization practices, signatory authority, and appropriate documentation of procurement transactions promote a positive control environment overseas. These measures also promote accountability over the purchase of supplies and services overseas and ensure vulnerabilities are minimized.

Recommendations

We recommend that the Assistant Secretary for U.S. Immigration and Customs Enforcement:

Recommendation #1: Develop and implement control measures to ensure acquisitions by overseas ICE offices are appropriately approved and documented.

Management Comments and OIG Analysis

ICE provided written comments on our draft report. We evaluated these comments and have made changes to the report where we deemed appropriate. Below is a summary of the ICE response to the report's first recommendation and our analysis. A copy of the ICE response, in its entirety, is included as Appendix B.

Management Comments to Recommendation #1

ICE concurred with the recommendation. In its response, ICE indicated that ICE OIA has taken steps to increase internal controls over its acquisitions. New controls include a system of automated funds control, a mandate that overseas purchases above the micro-purchase authority be approved by ICE OIA headquarters, a coordination mechanism for international training, and more robust review and approval requirements for liaison expenditures. ICE OIA will also prohibit the use of signature stamps and self-reimbursements, and will work with DOS to validate attaché signatures.

OIG Analysis

This recommendation is *resolved and open* pending receipt and review of documentation of the new controls.

ICE OIA Needs to Improve Oversight of Field Offices

Headquarters Can Improve Acquisitions Oversight

The Assistant Secretary's September 2007 memorandum described a process to oversee whether ICE OIA acquisitions follow federal regulations. ICE OAQ reviews a sample of acquisitions that exceed the threshold amount of \$2,500 to ensure compliance with federal regulations on competition. After receiving a list of qualifying acquisitions from ICE OIA, OAQ randomly audits two purchases per quarter to verify that proper acquisitions processes prescribed in the FAR, Department of State Acquisition Regulation (DOSAR), and ICECAPS were followed. OAQ obtains all supporting documentation for post purchases through headquarters; it does not communicate directly with the foreign posts. Should any problems arise, OAQ works with ICE OIA headquarters to obtain additional supporting documentation. Figure 2 illustrates this process. In response to OAQ's first audit of ICE OIA acquisitions overseas, ICE OIA is beginning to liaise with the DOS

Procurement Office. This is a positive step in aiding OAQ audits of future ICE OIA purchases.

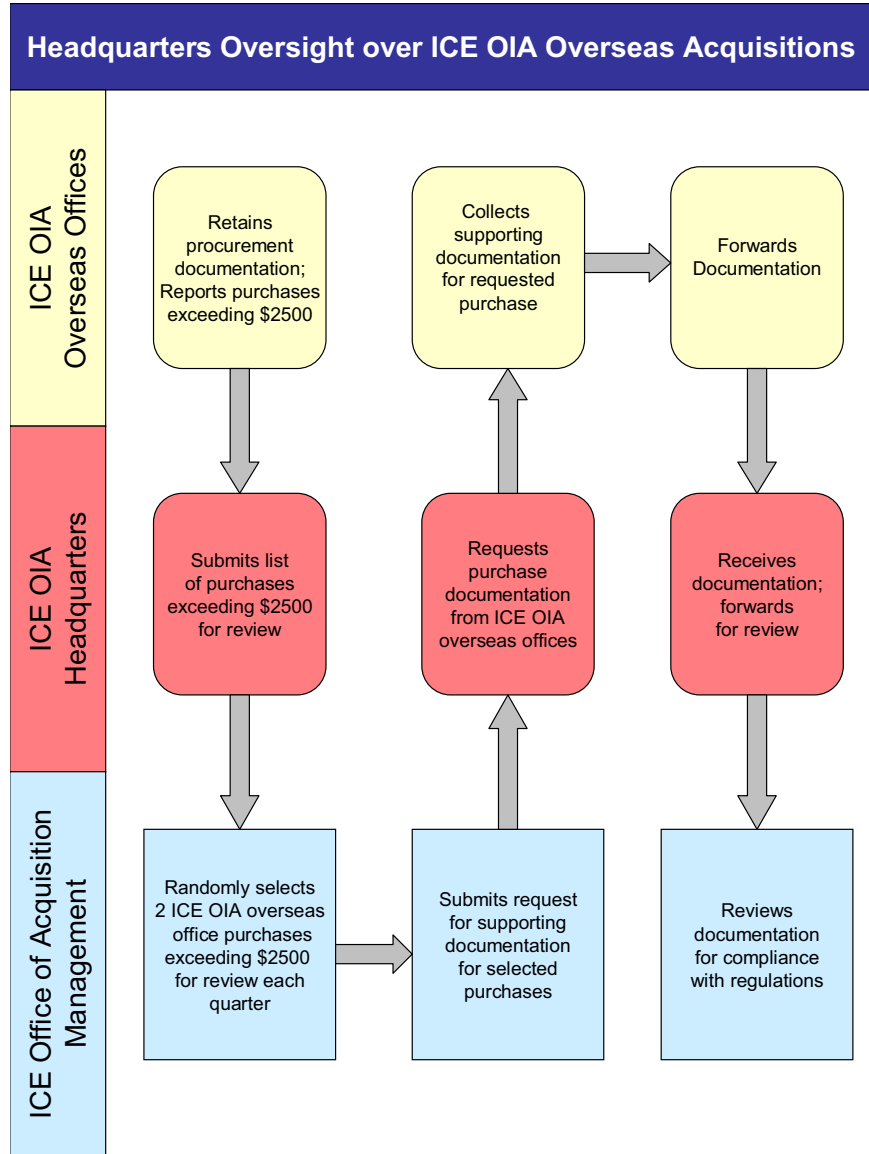


Figure 2. ICE Review Process for Overseas Acquisitions

According to an OAQ procurement analyst, OAQ does not receive a report from DOS and does not have independent knowledge of the total volume of ICE OIA acquisitions that exceed \$2,500 for the year. The analyst does not have independent access to identify ICE OIA purchases greater than this amount and reviews only qualifying procurements sent to OAQ by ICE OIA. Steps to ensure the authenticity of the lists are not performed. This limits OAQ’s ability to perform independent oversight because it only reviews files submitted by foreign posts and ICE OIA headquarters. Additionally, OAQ review of ICE OIA procurement

documentation does not include confirmation of purchase approvals by the appropriate approving authority at foreign posts, whether ICE attachés or their designees.

ICE OIA headquarters has made efforts to improve oversight over ICE OIA acquisitions overseas but more is needed. To ensure effective oversight over its purchases, ICE should develop a plan that, at minimum, ensures independent analysis of foreign posts' acquisitions and review of procurement files to confirm appropriate signatory authorities and acquisition approvals exist. Without this plan, it will be difficult to ensure that ICE is conducting the oversight necessary to prevent wasteful or fraudulent overseas acquisitions.

Accountable Property Tracking System Information Is Not Always Accurate

Several federal and departmental policies regulate the management and accountability of government property. Government property is accountable and subject to controls to track its physical location from acquisition through use and disposition. Some government property that meets specific criteria, however, must be tracked in an asset management system. The Sunflower Asset Management System is DHS' property tracking tool.

ICE guidance specifies that all property with an original acquisition value of \$5,000 or greater, as well as sensitive property, are accountable and must be tracked in Sunflower. Table 1 provides examples of categories of accountable property.

Category	Examples
All property with an original acquisition value of \$5,000 or greater	Vehicles, office equipment, software, personal property, leased property
Sensitive property includes anything requiring a high degree of protection and controls and holds memory	BlackBerrys, thumb drives, laptops, portable digital assistants, desktop computers, global positioning systems

Table 1. Examples of Accountable Property in Sunflower

The ICE Office of Asset Management, which is ultimately responsible for accountable property, requires that all ICE offices, including ICE OIA, conduct a physical inventory annually to ensure that all new and existing accountable property is in Sunflower. The ICE Office of Asset Management provides instructions for conducting the annual inventory to ICE OIA two to four weeks prior to commencing the inventory. ICE OIA's Headquarters Personal Property Manager then forwards the inventory information to ICE

OIA offices overseas, where the post's Accountable Property Officer and designated staff are responsible for conducting a physical inventory of all accountable property at post. Once posts complete their inventories, they provide ICE OIA headquarters with the results and updated Sunflower information. ICE OIA headquarters enters property information into Sunflower for overseas posts that cannot access the system. ICE OIA overseas offices with access to Sunflower are responsible for entering their property information into the system.

We visited seven ICE OIA overseas offices and conducted a physical inventory of a random sample of ICE accountable property at each post. We were able to match actual property for most items inventoried in Sunflower; however, there were discrepancies. At a few posts, the barcode number, owner, and physical location did not correspond to the post's Sunflower report. There were also inconsistencies in entering and tracking information in Sunflower across the ICE OIA overseas offices. Some accountable property, such as BlackBerrys, laptops, and global positioning systems, were not entered into Sunflower. Staff at two posts said they were unclear regarding what items should be entered into Sunflower. Staff at other posts said that some of the property was sent from headquarters, and they were uncertain why the items were not already entered into the system. Staff at another office said that items were acquired at posts, but were not updated in Sunflower when the items were obtained because of issues pertaining to accessing the system. Consequently, the information was sent to ICE OIA headquarters for entry into Sunflower. Staff also said that accountable property was added during the annual inventory.

The accuracy of information entered into Sunflower is important for property management purposes. Without accurate information maintained in Sunflower, the probability for accountable property to be lost, stolen, or misused increases. All Sunflower users should understand the importance of entering and maintaining accurate property information in ICE's property tracking system. The better staff understands what should be entered into Sunflower and their roles and responsibilities regarding entering and tracking government property in the system, the more accountability there will be in managing government property.

Self Inspection Program Identifies Deficiencies

All 54 ICE attaché offices completed their first ICE OIA-specific self-inspections in April 2009. The self-inspections provide the

respective attaché with an indication of whether the office is in compliance with policies and procedures covered by the SIP and what areas need improvement. Each office submitted to ICE OPR the results of its self-inspection, including audit trail documentation and certification memorandum. The self-inspections identified deficiencies across SIP areas and attaché offices, and the attaché included a corrective action plan for each deficiency in the certification memorandum.

We reviewed the SIP documentation submitted online to ICE OPR by 27 attaché offices. Some of these offices completed draft self-inspection worksheets which included areas or activities that ICE OPR ultimately removed from the final ICE OIA-specific SIP worksheets, such as classified material or pay administration. Other offices did not complete one or more of the nine ICE OIA-specific SIP areas, such as case management, asset management, or travel administration. In addition, offices responded differently to areas that applied to some offices but not to others. For example, not all offices use purchase cards. However, some offices did not complete the SIP for this area while others completed the SIP but indicated that the office does not have a purchase card. Still other offices without purchase cards indicated that there had been no activity in the purchase card area during the past year. Guidance to ensure that all offices complete the SIP in the same manner during future self-inspections likely would be helpful as ICE OPR reviews and adjusts the ICE OIA-specific and other ICE component SIPs.

All posts identified deficiencies in at least one area during their respective self-inspections. If one sample inspected for an activity was not in compliance, then that activity was identified as a deficiency. Of the offices that responded to the respective SIP areas, 100% identified deficiencies in the case management area, 68% in asset management area, 65% in the travel administration area, and 56% in the IT security area.

Within the case management area, three activities were commonly identified as deficiencies: opening cases, completing the initial case report of investigation, and completing initial responses to collateral investigations in a timely manner. Of the documentation we reviewed, 26 of 27 offices completed the case management SIP. Of those 26 offices, 19 identified deficiencies in opening cases in a timely manner, and 24 offices identified deficiencies in completing initial reports of investigation and responses to collateral investigations. Certification memoranda submitted by the attaché offices documented corrective actions taken regarding case management, including reminding agents of the requirements

and referring them to the case management handbook. Given the unique environment in which overseas offices operate, these deficiencies also could indicate a possible need for policy or procedural changes in the international environment.

Recommendations

We recommend that the Assistant Secretary for U.S. Immigration and Customs Enforcement:

Recommendation #2: Develop a plan to monitor and objectively analyze ICE acquisition activities at overseas locations that, at minimum, outlines steps to require verification of acquisitions approvals at foreign posts and obtain procurement documentation independent of the Office of International Affairs.

Recommendation #3: Provide additional guidance to ICE Office of International Affairs overseas offices that specifies the government property to be entered into the Sunflower Asset Management System and clarifies ICE inventory policies, roles, responsibilities, and processes to ensure that accountable property is entered and tracked accurately on a timely basis.

Management Comments and OIG Analysis

Management Comments to Recommendation #2

ICE concurred with the recommendation. ICE OIA implemented an automated funds control system and implemented additional accounting controls to ensure that individual attaché offices do not deviate from their approved spend plans without prior approval by ICE OIA headquarters. ICE OIA also instructed attaché offices to run monthly reports through DOS to enable ICE OIA headquarters to track attaché expenditures and ensure oversight of spend plans. In addition, overseas purchases above the micro-purchase authority are procured by DOS in accordance with DOS acquisition policies and regulations, and attaché offices must report these purchases to ICE OIA headquarters. The information is provided to ICE OAQ for random sampling of purchases for compliance with applicable policies and regulations.

OIG Analysis

This recommendation is *resolved and open* pending receipt and review of additional information regarding the automated funds control system and accounting controls. ICE should also provide

information on how ICE OAQ will include verification of acquisitions approvals during its review process and ensure that they can independently obtain information regarding ICE OIA purchases that exceed \$2,500.00.

Management Comments to Recommendation #3

ICE concurred with the recommendation. The ICE Office of Asset Management, within the Office of the Chief Financial Officer, is responsible for establishing personal property management policies and controls, providing personal property management training, and conducting quality assurance on data stored in Sunflower. The office also coordinates ICE's annual inventory process. In early 2009, the Office of Asset Management published guidance on ICE inventory policies, roles, responsibilities and processes to ensure appropriate accounting of all ICE property. ICE OIA will adhere to these policies now that they have been established.

OIG Analysis

Following a review of additional documentation submitted by ICE OIA, this recommendation is *resolved and closed*.

ICE OIA Needs to Ensure Compliance With Foreign Tour of Duty Policy

Although ICE has a policy regarding the length of time employees can be assigned to foreign offices, ICE human resources personnel do not verify whether individuals have previously been assigned overseas or for how long. In addition, some non-mission support personnel continue to remain in their overseas assignments beyond the allowed time limit.

According to ICE policy, ICE personnel, except mission support specialists, can be assigned overseas for no more than five years at a time with no more than a total of ten years in foreign assignments during their entire career with ICE. Non-mission support personnel could be special agents, intelligence research specialists, or other personnel who are not mission support specialists. The time limitation includes time served overseas with legacy agencies, such as U.S. Customs or U.S. Immigration and Naturalization Service. Mission support specialists can be assigned overseas for 15 years over their entire career at ICE. The ICE OIA director may approve exceptions to these requirements.

Human resources personnel in the Human Resources Division in Dallas, Texas, which provides personnel selection and payroll benefit support services for ICE OIA, said that they do not check for prior foreign

assignments when verifying a job candidate's qualifications for overseas deployment. When human resources personnel receive responses to an ICE OIA vacancy announcement, they review the applications to determine whether applicants meet the qualifications for a posted job, but this review does not include verifying the length of time an applicant may have already served in an overseas position. In addition, the office does not clarify prior time overseas once ICE OIA selects an applicant for a specific position from the list of qualified candidates. By not verifying whether a candidate for a foreign assignment has previously served overseas, ICE OIA could select an individual who may not be qualified based on the foreign tour of duty policy.

In addition, ICE OIA continues to have non-mission support personnel assigned overseas longer than five years. As of April 2, 2009, ICE OIA had 183 personnel overseas—170 non-mission support and 13 mission support personnel. Of the 170 non-mission support personnel, 63 were in the first year of their assignment, 52 were in their second year, 37 were in their third year, 6 were in their fourth year, and 3 were in their fifth year. Nine special agents were beyond five years in their current assignment, with two of these agents beyond six years.

According to the April 2, 2009, rotation report maintained by ICE OIA headquarters, only four of the nine special agents who were already beyond five years overseas had received extensions. There was no indication in the rotation report of whether tour extensions had been granted for the other five agents. For one of the four agents who received an extension, the tour extension date expired in February 2009. There was no indication in the report of whether this agent had received an additional tour extension.

As of April 2, 2009, all 13 overseas mission support personnel were within the allowed time limits according to the ICE OIA rotation report. However, the records kept by ICE OIA headquarters track only the employee's current foreign assignment. The rotation report kept by ICE OIA human resources personnel could not identify that one mission support specialist had previously completed 10 years of foreign assignments. The mission support specialist recently received a tour extension, which will bring time served in the current assignment to five years and total time served overseas to 15 years. Because prior foreign assignments are not included in the rotation report or otherwise tracked, this mission support specialist possibly could receive another tour extension even though the employee will reach the 15-year limit upon completion of the current assignment.

ICE OIA uses its rotation report to track current foreign assignments for both mission support and non-mission support personnel. When personnel

rotate from a foreign assignment to a domestic assignment, ICE OIA has begun to copy the information from the current foreign assignment to another page in the rotation report. However, the rotation date for most employees is not updated to note the actual departure date from post, leaving the original planned departure date based on the employee's entry on duty date at the post in the report. If an employee who rotated out of a foreign assignment, and whose foreign assignment information was transferred to the rotated-out section of the report, decided to apply for another foreign assignment, ICE OIA would be unable to use the report to determine with certainty the amount of time previously spent in a foreign assignment. According to an ICE OIA official, the only way to track prior foreign assignments, aside from the rotation report, would be to review each employee's official personnel file. To ensure compliance with the policy, ICE must establish procedures to determine whether personnel selected for foreign assignments qualify for the assignment, and must track foreign assignments and tour extensions of overseas personnel.

Recommendations

We recommend that the Assistant Secretary for U.S. Immigration and Customs Enforcement:

Recommendation #4: Establish and implement procedures to ensure compliance with the ICE foreign tour of duty policy and track ICE OIA foreign assignments and extensions.

Management Comments and OIG Analysis

Management Comments to Recommendation #4

ICE concurred with the recommendation. Since February 2007, ICE OIA has had direct authority over its international placements. To ensure compliance with the foreign tour of duty policy, ICE OIA added language to overseas vacancy announcements regarding the maximum length of overseas assignments. In addition, ICE OIA is establishing a database to track the overseas assignments and extensions of all ICE employees.

OIG Analysis

This recommendation is *resolved and open* pending receipt and review of additional information regarding the database for tracking overseas assignments and extensions.

Appendix A

Purpose, Scope, and Methodology

We reviewed the management and oversight of ICE OIA internal controls for acquisitions and employee integrity processes to evaluate weaknesses identified by prior OIG Investigations work. Specifically, the objectives of our review were to determine: (1) what management review and oversight is performed to ensure that ICE OIA employees understand and are following applicable procurement policies and procedures; (2) whether internal controls are effective at preventing or detecting the unauthorized acquisition, use, or disposition of assets; (3) the appropriateness of corrective actions when internal controls identify potential unauthorized activities; and (4) whether ICE OIA tests its policies and procedures periodically to ensure that internal controls are working as intended.

We reviewed applicable laws, regulations, and directives regarding internal controls and the federal acquisitions process. We also reviewed policies, procedures, and training materials used by ICE OIA. In addition, we reviewed budget, acquisition, personnel, training, travel, property, and other records and documentation at both ICE headquarters and attaché offices. Finally, we reviewed oversight records, including self-inspection documentation, reports, and corrective action plans.

We conducted 81 interviews with officials within ICE and DOS at headquarters and overseas. We conducted site visits to ICE OIA attaché offices in Bogotá, Colombia; Brasilia, Brazil; London, United Kingdom; Mexico City and Monterrey, Mexico; Madrid, Spain; and Rome, Italy. In addition to interviews at the posts, we reviewed ICE OIA attaché office files and documentation in several self-inspection areas including budget and procurement documentation for FYs 2006 to 2009.

We began fieldwork in October 2008 and ended in July 2009. This review was conducted 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 Management Comments to the Draft Report

Office of the Assistant Secretary


U.S. Department of Homeland Security
800 North Capitol Street, NW
Washington, D.C. 20536



**U.S. Immigration
and Customs
Enforcement**

January 6, 2010

MEMORANDUM FOR: Carlton I. Mann
Assistant Inspector General
Office of Inspector General

FROM: Robert De Antonio 
Director
Audit Liaison Office

SUBJECT: ICE Response to Office of Inspector General Draft Report titled,
"Management and Oversight of U.S. Immigration and Customs
Enforcement Office of International Affairs Internal Controls for
Acquisitions and Employee Integrity Processes."

Thank you for providing U.S. Immigration and Customs Enforcement (ICE) with the opportunity to review and comment on the subject draft report.

OIG Recommendation 1: "Develop and implement control measures to ensure acquisitions by overseas ICE offices are appropriately approved and documented."

ICE Response to OIG Recommendation 1: ICE concurs. In 2008, the ICE Office of International Affairs (OIA) took several steps to increase controls over its acquisitions. Among the new controls OIA put in place was to: introduce a system of automated funds control; mandate that overseas purchases above the micro-purchase authority (\$2,500 for services; \$3,000 for supplies) be approved by OIA headquarters; implement a coordination mechanism for international training; and institute more robust review and approval requirements for liaison expenditures. OIA will continue to ensure appropriate acquisitions by prohibiting the use of signature stamps and self-reimbursements, and also by working with the Department of State to validate attaché signatures.

We request that recommendation 1 be considered resolved and open pending OIG receipt of additional documentation.

OIG Recommendation 2: "Develop a plan to monitor and objectively analyze ICE acquisition activities at overseas locations that, at minimum, outlines steps to require verification of acquisitions approvals at foreign posts and obtain procurement documentation independent of the Office of International Affairs."

www.ice.gov

Appendix B Management Comments to the Draft Report

SUBJECT: "Management and Oversight of Immigration and Customs Enforcement Office of International Affairs Internal Controls for Acquisitions and Employee Integrity Processes"
Page 2

ICE Response to OIG Recommendation 2: ICE concurs. Since 2008, OIA implemented an automated funds control system for use by overseas offices. Accounting controls were also established to ensure that individual offices do not deviate from their approved spend plans without prior OIA headquarters approval. All overseas purchases above the micro-purchase authority are procured by the Department of State. In accordance with Department of State acquisition policies and regulations. Each OIA office has been instructed to run monthly budget reports through the Department of State. This procedure gives OIA headquarters the ability to track the expenditure of funds by attachés and ensures oversight of the spend plans. Further, all overseas purchases valued above the micro-purchase authority must be reported to OIA headquarters. This information is then provided to the ICE Office of Acquisition Management (OAQ). OAQ conducts a random sample of the purchases to ensure they are properly documented and comply with applicable regulation and policy. The purchase information will be provided to OAQ on a quarterly basis to further verify the integrity of the acquisition process.

We request that recommendation 2 be considered resolved and open pending OIG receipt of additional documentation.

OIG Recommendation 3: "Provide additional guidance to ICE Office of International Affairs overseas offices that specifies the government property to be entered into the Sunflower Asset Management System and clarifies ICE inventory policies, roles, responsibilities, and processes to ensure that accountable property is entered and tracked accurately on a timely basis."

ICE Response to OIG Recommendation 3: ICE concurs. The ICE Office of Asset Management (OAM) in the Office of the Chief Financial Officer (CFO) is charged with maximizing the functional and financial value of capital assets through carefully considered investments, acquisitions, operations, and dispositions. The asset management branch, within the office of the CFO, is responsible for establishing personal property management policies and controls, providing personal property management training, conducting quality assurance on data stored in the Sunflower Asset Management System, and coordinating the annual inventory effort for ICE. In early 2009, OAM published guidance on ICE inventory policies, roles, responsibilities and processes to ensure appropriate accounting of all ICE property. OIA will adhere to those policies now that they have been promulgated.

We request that recommendation 3 be considered resolved and open pending OIG receipt of additional documentation.

OIG Recommendation 4: "Establish and implement procedures to ensure compliance with the ICE foreign tour of duty policy and track ICE OIA foreign assignments and extensions."

ICE Response to OIG Recommendation 4: ICE concurs. As a stand-alone program office within ICE since February 2007, OIA has direct authority over its international placements. To ensure compliance with the foreign tour of duty policy, OIA has also added language to overseas vacancy announcements stating that, "According to OIA policy, ICE personnel, except Mission Support Specialists, can be assigned overseas for a maximum of five

Appendix B
Management Comments to the Draft Report

SUBJECT: "Management and Oversight of Immigration and Customs Enforcement Office of International Affairs Internal Controls for Acquisitions and Employee Integrity Processes"
Page 3

years at one time and a maximum of 10 total years in foreign assignments unless a written exception is granted by the Director, OIA." In addition, OIA is establishing a database to track the overseas assignments and extensions of all ICE employees.

We request that recommendation 4 be considered resolved and open pending OIG receipt of additional documentation.

Should you have questions or concerns, please contact Megan Reedy, OIG portfolio manager, at (202)732-4185 or by e-mail at Megan.Reedy@dhs.gov.

Appendix C
ICE Assistant Secretary Memorandum to DHS Deputy Secretary

Office of the Assistant Secretary

U.S. Department of Homeland Security
425 I Street, NW
Washington, DC 20536



**U.S. Immigration
and Customs
Enforcement**

SEP 05 2007

MEMORANDUM FOR: Michael Jackson
Deputy Secretary

FROM: Julie L. Myers *JLM*
Assistant Secretary

SUBJECT: Overview of Immigration and Customs Enforcement (ICE)
Office of International Affairs Acquisitions, Human Resources
and Integrity Processes

Purpose

In accordance with its core values, ICE Office of International Affairs (OIA) expects its employees to adhere to the highest standards of honesty and conduct. This memorandum presents an overview of ICE OIA's past, current, and future actions to ensure that all procedures relating to acquisitions, human resources, ethics, and integrity awareness are understood and followed by all ICE OIA employees and properly monitored by ICE OIA management.

Background

With more than 300 overseas resources – including almost 200 agents and mission support specialists and 100 contractors – ICE OIA is the largest international investigative component in the Department of Homeland Security (DHS). ICE OIA provides operational and programmatic management and mission support for 49 ICE offices in embassies and consulates in 40 countries. OIA coordinates and supports all international ICE investigative activities involving national security, visa security, illegal arms exports, financial crimes, smuggling violations, immigration fraud, trade fraud, human trafficking, identity and benefits fraud, child pornography, and sex tourism. In addition to supporting the ICE Office of Investigations, OIA assists other ICE offices and other DHS components.

Due to its size and international scope, ICE OIA constantly evaluates its established set of policies, procedures, and guidance to provide oversight to its employees in the key areas of acquisitions, human resources, and integrity. As these policies continue to be developed, ICE OIA utilizes preexisting policies (from legacy agencies) and interim guidance. The requirements that must be met by ICE OIA employees reflect a combination of office, agency, and departmental guidance, in addition to the regulations put in place by the Office of

www.ice.gov

Appendix C

ICE Assistant Secretary Memorandum to DHS Deputy Secretary

Page 2 of 6

Personnel Management (OPM) and Department of State (DOS), with whom we partner overseas.

Discussion

Acquisitions

DOS provides on-site acquisition support for the Attaché offices pursuant to a General Service Agreement. DOS personnel are responsible for executing any contractual action in accordance with Federal and DOS regulations, policies and procedures. Specifically, methods of acquisition at ICE OIA attaché offices, including sole source purchases, must be in compliance with the Federal Acquisition Regulation (FAR) and the Department of State Acquisition Regulation (DOSAR).

The OIA receives a report from DOS of all contractual actions executed by DOS on behalf of ICE. The ICE Office of Acquisition Management will immediately begin reviewing these reports and will randomly sample the transactions to ensure that OIA offices maintain proper supporting documentation, including justifications for the use of non-competitive procedures when competition has not been obtained by the DOS.

In addition to the on-site acquisition support provided by DOS, ICE personnel within the Attaché offices utilize ICE-issued purchase cards. These purchase cardholders complete required DHS purchase card training, and all transactions are reviewed by the cardholder's approving official. The limits on the overseas purchase cards mirror those within CONUS: \$3,000.00 for supplies and \$2,500.00 for services.

Attaché offices requesting funding for items not included in their current operating budget must submit a written request through their Headquarters Desk Officer. The Desk Officer reviews the request for completeness, accuracy, and justification. After this review, the amount of the request determines the required management level of approval. Although intermediate approval levels exist, all requests in excess of \$25,000 require the Director's approval. Requests for specialized services/equipment or resources needed for developing confidential sources of information require Deputy Assistant Director approval regardless of the amount requested.

More generally, ICE has already made progress in its acquisitions program with specific emphasis on Competition and is currently taking steps to improve the acquisition process. Current initiatives include the following:

- **ICE Competition Advocate:** This position has been elevated from a senior staff position to the Deputy Assistant Secretary for Management to ensure proper review and scrutiny of all non-competitive actions over \$500,000. Additionally, for OIA actions, the ICE Competition Advocate will now require review of all OCONUS non-competitive buys in excess of \$25,000.
- **Review and Tracking:** ICE has a thorough review process to track sole source and limited sourcing requests. In conjunction with the ICE Competition Advocate, the

Appendix C

ICE Assistant Secretary Memorandum to DHS Deputy Secretary

Page 3 of 6

Office of Acquisition Management (OAQ) challenges actions that are not adequately justified, directing use of competitive procedures and legal reviews as required.

- **Data Accuracy:** ICE quarterly monitors competition statistics to ensure accurate reporting of contract competition data. This process now includes a reporting mechanism for all OIA purchases.
- **Oversight of the Purchase Card Program:** Purchase card transactions are monitored by the ICE Purchase Card Program Office for usual spending patterns, including repeated buys from single vendors. Furthermore, the United States Coast Guard, which serves as the DHS payment servicing center for the DHS purchase card program, also reviews transactions for spending pattern irregularities and conducts random audits of all ICE purchase card transactions.
- **Promote Program Office Awareness** OAQ Deputy Assistant Directors provides customer briefing to program offices that includes information on regulatory requirements for competition and on methods for promoting maximum competition.
- **Procurement Management Reviews:** ICE will review contract files to ensure regulatory compliance with competition requirements, to identify systemic issues impacting use of competition, and to develop mitigation plan for improvements.

Human Resources

Hiring, Pre-Deployment and Ongoing Integrity Requirements for Overseas Positions

All individuals selected for OIA overseas positions, regardless of series or grade, are vetted through ICE Offices of Professional Responsibility (OPR) and Employee Labor Relations. When selected for an overseas position, individuals must be able to obtain and maintain a top secret clearance. Individuals who do not already possess a top secret clearance are deployed with at least an active secret clearance and are submitted for an upgrade to top secret clearance upon deployment.

Prior to deployment, DOS provides Security Overseas Seminar Training, which addresses not only safety issues, but also how Americans should conduct themselves in-country. Additionally, OIA provides Orientation Training, which addresses the mission-oriented programs and processes. Finally, the individuals going overseas must file a financial disclosure (OGE-450).

Summary of Status of Overseas Positions

OIA currently employs a total of 177 overseas positions (agents and mission support specialists) at 49 overseas posts. In those positions, 85 individuals are in the first year of their tour; 20 are in their second year; 21 are in their third year; 35 are in their fourth year; and 16 are in their fifth year. Those in their fifth year or beyond are scheduled to rotate out of their positions. Of the 16 scheduled to rotate out, four are beyond their five-year timeframe due to budgetary constraints during the stand-up of ICE.

Appendix C

ICE Assistant Secretary Memorandum to DHS Deputy Secretary

Page 4 of 6

The four employees who have currently received an extension on their five year tour are all expected to return from overseas by the end of FY 08. All four employees should return to the United States no later than June 2008.

Employee Integrity

ICE OIA considers integrity in all actions to be of the utmost importance. ICE OIA administers information about compliance with integrity expectations of the office through formal policies, training, oversight, and an office self-inspection process.

Training

ICE OIA has three main venues for conducting integrity training overseas: orientation for all employees prior to deployment, training while stationed overseas, and training offered through Virtual University training.

A. Orientation Prior to Deployment

All employees going overseas for longer than 30 days are required to take the Security Overseas Training (SOS). This training is a two day program run by DOS.

In addition, ICE OIA requires an additional three day training course for all ICE agents beginning a permanent change of station to an Attaché office. This training course is completed at ICE OIA Headquarters and covers a variety of topics designed to give employees an overview of issues they will face. OPR provides a one hour presentation on ethical issues specific to an overseas environment such as reporting gifts, responding to bribery attempts, safeguarding of sensitive information, and confidential informant issues. The training also covers these additional activities that can potentially present ethical issues of concern: undercover operations, sharing information with foreign counterparts, human resources, Bankcard/Fleet Card/Travel Card, Travel Manager, International Cooperative Administrative Support Services/ Capital Security Cost-Sharing (ICASS/CSCS), property inventory, tour renewal travel policy.

The attendees meet with their Desk Officers, Area Directors and senior ICE OIA managers. At each level, management explains the conduct that is expected of ICE representatives overseas. Information on reporting requirements and procedures are also provided. At the end of the training, each employee is provided with a CD-ROM that contains the presentation materials, samples of pertinent documents, and official policies.

B. Overseas Training

Additional training is provided to Special Agents and ICE employees once they arrive overseas. Much of the training done overseas is led by the Department of State. This training is often specific to the embassy or region. For example, the Regional Security Officer (RSO) briefs ICE employees on foreign contact, corruption and compromise issues, and reporting requirements.

Appendix C

ICE Assistant Secretary Memorandum to DHS Deputy Secretary

Page 5 of 6

C. Virtual University

All ICE OIA employees must participate in mandatory training each year through ICE's Virtual University. Completion of this training is monitored by ICE Headquarters. All affected OIA domestic and overseas employees complied with these requirements in FY 2007.

Mandatory classes are described below.

- *Integrity Awareness* -- OPR presents this course to reinforce employee knowledge and understanding of integrity issues. Each ICE employee must successfully complete the Integrity Awareness Program every fiscal year. Course topics include the following: Introduction, Values, Professional Conduct, Gift or Bribe, Conflicts of Interest, and Reporting Misconduct.
- *ICE Computer Security Awareness Training (CSAT)* -- This course reinforces ICE computer security policies and guidelines to all ICE users. ICE CSAT 2007 is divided into six lessons, which are designed to make ICE systems users aware of their responsibilities regarding the protection of ICE systems and data.
- *Prevention of Sexual Harassment Training* -- This course is an introduction to the Prevention of Sexual Harassment (POSH) policies and procedures, and equal employment opportunity (EEO) complaint processing procedures.

D. Other ICE-Wide Training Courses

All new agents attend a 22 week course at the Federal Law Enforcement Training Center (FLETC). This training consists of the Criminal Investigator Training Program (CITP) and the ICE Special Agent Training (ICESAT). Both courses include components on ethics and conduct.

The Director of National Intelligence requires all employees with Sensitive Compartmentalized Information (SCI) clearance to receive an annual briefing that reminds them of their responsibilities to protect intelligence information. Individuals located overseas receive this training through the ICE Security training website.

All individuals with TECS access must undergo TECS Certification prior to gaining access to the program. Subsequently, those individuals with access to National Criminal Information Center (NCIC) and the National Law Enforcement Telecommunications System (NLETS) undergo additional mandatory training every two years.

Ongoing training is provided to all ICE employees, including locally engaged staff at the Attaché offices, on an as needed basis in areas such as purchase card use and management. In 2007, all OIA purchase cardholders and administrative officers completed the refresher training for the \$3,000 micro-purchase limit.

Appendix C
ICE Assistant Secretary Memorandum to DHS Deputy Secretary

Page 6 of 6

In addition, general ethics training will now be a core part of the curriculum at all future regional Attaché Conferences. (Under an ICE-wide direction issued in June of this year, ethics training was mandated for all conferences and training held within ICE.)

Oversight and the Self-Inspection Process

Since the creation of ICE, the Office of Investigations (OI) Management Oversight Unit (MOU) has had oversight for OIA while a division within OI (prior to February, 2007). This oversight extended to inquiries by the Office of the Inspector General and the General Accounting Office, misconduct investigations, disciplinary actions, and internal controls for Attaché office self-inspections. Once ICE OIA became a stand alone, ICE OIA assumed the responsibility for Office of the Inspector General and Government Accountability Office Audits.

The Self-Inspection Program (SIP) is designed to build management accountability and foster professional integrity by evaluating offices on core areas that are susceptible to corruption, vulnerability, or are critical for mission performance. Areas of review include technical equipment, seized property, operational responsibilities, case management, confidential informants, fugitive program, travel administration, purchase card, management responsibilities, information technology, firearms, and classified material.

In FY 2005, OPR conducted an inspection at the Attaché Bangkok Office. In FY 2006, OI conducted an inspection at the ICE Attaché Office in Pretoria, and, in FY 2007, OIA conducted three inspections in London, Madrid, and Paris.

The overall management of the SIP is the responsibility of the Management Inspection Division (MID) within OPR. Since February, 2007 OIA has been working with OPR to create a self-inspection program that adequately addresses the unique characteristics of the international environment. This work will be completed within the first quarter of Fiscal Year 2008. Office inspection teams will conduct SIPs on at least four offices per quarter, beginning with Mexico City, Panama City, Caracas, and Buenos Aires in the first quarter of FY 2008. In the future, each Attaché office will be inspected once every four years.

Conclusion

This memorandum provides general information on the controls currently in place within the Office of International Affairs and highlights some of the actions planned for this organization. I want to ensure you that the integrity of all ICE employees is a high priority for me and all Senior Managers within the agency. I welcome your comments and appreciate your continued support of the agency.

cc: The Honorable Richard Skinner
The Honorable Marissa Lino
Adam Isles
Katie Wheelbarger

Appendix D
Major Contributors to This Report

Douglas Ellice, Chief Inspector, Office of Inspections
Jennifer A. Lindsey, Lead Inspector, Office of Inspections
E. Kristine Odiña, Senior Inspector, Office of Inspections
Matthew R. Noll, Program Analyst, Office of Audits

Appendix E
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff for Operations
Chief of Staff for Policy
Deputy Chiefs of Staff
General Counsel
Executive Secretariat
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
ICE Audit Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as appropriate



ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this report, please call the Office of Inspector General (OIG) at (202) 254-4100, fax your request to (202) 254-4305, or visit the OIG web site at www.dhs.gov/oig.

OIG HOTLINE

To report alleged fraud, waste, abuse or mismanagement, or any other kind of criminal or noncriminal misconduct relative to department programs or operations:

- Call our Hotline at 1-800-323-8603;
- Fax the complaint directly to us at (202) 254-4292;
- Email us at DHSOIGHOTLINE@dhs.gov; or
- Write to us at:
DHS Office of Inspector General/MAIL STOP 2600,
Attention: Office of Investigations - Hotline,
245 Murray Drive, SW, Building 410,
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.