



Department of Homeland Security Office of Inspector General

FEMA's Implementation of Recommendations from Top Officials 4





**Homeland
Security**

September 28, 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 extent to which the Federal Emergency Management Agency incorporated corrective actions from Top Officials 4 into National Level Exercise 2009. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendation herein has been developed to the best knowledge available to our office, and has 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 black ink, appearing to read "C. I. Mann".

Carlton I. Mann

Assistant Inspector General for Inspections

Table of Contents/Abbreviations

Executive Summary	1
Background.....	2
Results of Review	4
All TOPOFF 4 Corrective Actions Were Not Relevant for NLE 2009	4
Barriers Exist That Hinder the Effectiveness of a Corrective Action Program	8
Recommendation	9
Management Comments and OIG Analysis	10

Appendices

Appendix A: Purpose, Scope, and Methodology.....	11
Appendix B: Management Comments to the Draft Report	12
Appendix C: Major Contributors to this Report.....	14
Appendix D: Report Distribution	15

Abbreviations

AAR	After Action Report
CAP	Corrective Action Program
DHS	Department of Homeland Security
ESC	Executive Steering Committee
FEMA	Federal Emergency Management Agency
HSC	Homeland Security Council
HSPD	Homeland Security Presidential Directive
NED	National Exercise Division
NEP	National Exercise Program
NLE	National Level Exercise
NPD	National Preparedness Directorate
POC	Point of Contact
Sub-PCC	Sub-Policy Coordination Committee
TOPOFF	Top Officials



Department of Homeland Security
Office of Inspector General

Executive Summary

National level exercises, formerly designated as Top Officials exercises, are designed to reinforce the nation's capability to prepare for, prevent, respond to, and recover from large-scale terrorist attacks or natural disasters. These exercises test high-level government officials' response to simulated attacks and disasters and identify corrective actions resulting from problems discovered during these exercises. Our review examined how the Federal Emergency Management Agency, which coordinates the federal government's role in disaster-related activities, incorporated corrective actions identified in Top Officials 4 into National Level Exercise 2009.

The Federal Emergency Management Agency developed a centralized Corrective Action Program to address deficiencies identified during national level exercises. The agency documented 54 corrective actions in Top Officials 4, ten of which were relevant to and incorporated into the planning and execution of National Level Exercise 2009.

While the Federal Emergency Management Agency is responsible for inputting information into a corrective action database, tracking these corrective actions rests exclusively with participating federal entities. This barrier hinders the effectiveness of the Corrective Action Program as the Federal Emergency Management Agency has no enforcement authority to direct compliance with corrective action implementation.

We are recommending that the Federal Emergency Management Agency, in collaboration with the Exercise and Evaluation Sub-Interagency Policy Committee and the National Exercise Program Executive Steering Committee, develop reporting regulations for oversight of corrective action implementation. The Federal Emergency Management Agency agreed with the importance of an oversight system and collaborative efforts to include the Exercise and Evaluation Sub-Interagency Policy Committee. As an alternative to our recommendation for corrective action oversight through federal regulation, we accepted their suggestion to develop a mechanism to strengthen corrective action progress in collaboration with the White House.

Background

House Report 110-862 requires that we review changes made by the Department of Homeland Security (DHS) as a result of problems identified through Top Officials (TOPOFF) 4, and make recommendations for any further improvements needed.¹ To satisfy this requirement, we examined the extent to which corrective actions identified in TOPOFF 4 were incorporated into the planning and execution of DHS' National Level Exercise (NLE) 2009.

The Homeland Security Act (HSA) of 2002 assigned DHS primary responsibility to prepare for and sustain the United States' capability to reduce vulnerabilities associated with acts of terrorism. The DHS Secretary is responsible for coordinating federal operations to prepare for, respond to and recover from terrorist attacks, major disasters, and other emergencies.

In February 2003, the President issued Homeland Security Presidential Directive (HSPD) 5, *Management of Domestic Incidents*, which identifies steps for improved coordination among all levels of government in response to terrorist attacks, major disasters and other emergencies. In December 2003, the President issued HSPD 8, *National Preparedness*, which describes how federal departments and agencies will prepare for such responses. In coordination with other federal departments, agencies, state and local governments, and private sector entities, HSPD 8 directed DHS to establish a national program to conduct homeland security preparedness-related exercises that could be evaluated to determine the country's ability to handle man-made or natural disasters.

The Executive Steering Committee (ESC) coordinates departmental and agency roles and responsibilities, and reports to the Exercise and Evaluation Sub-Interagency Policy Committee (Sub-IPC). The Sub-IPC recommends exercise priorities, goals, objectives, schedules, and corrective action issues to the Homeland Security Council (HSC) Deputies Committee, which is composed of deputy cabinet secretaries of the relevant federal agencies.

Within DHS, the Federal Emergency Management Agency (FEMA) coordinates the federal government's role in all domestic disaster-related activities. In April 2007, FEMA established the

¹ Top Officials exercises were designated as National Level Exercises beginning in Fiscal Year 2009.

National Preparedness Directorate (NPD) to oversee the coordination and development of strategies necessary to prepare for terrorist incidents and natural disasters. As part of this mission, NPD provides policy and planning guidance that builds prevention, protection, response, and recovery capabilities among all levels of federal, state and local governments.²

Within NPD, the National Exercise Division (NED) established the National Exercise Program (NEP) to improve the delivery and organization involved with planning for, developing and executing preparedness-related national level exercises for the federal government. NEP is the primary tool for assessing the country's ability to prevent, protect, respond to and recover from catastrophic events. National level exercises are conducted to test and identify planning and resource gaps in existing strategies, policies and procedures.

A White House memorandum entitled, "National Exercise Program," identified by many observers as the NEP charter, requires a corrective action process to ensure lessons from exercises are either sustained or improved as appropriate. To facilitate a corrective action process, FEMA developed a Corrective Action Program (CAP) to address preparedness deficiencies identified during exercises, policy discussions, and real-world events and refers issues to departments and agencies for priority and remedial action. Specifically, the CAP identifies, assigns, and tracks corrective actions. FEMA's NPD serves as the responsible agent for the CAP, and provides administrative and technical support to other federal departments and agencies.

National level exercises have four homeland security mission areas: prevent, protect, respond, and recover.

- **Prevent Mission:** Actions taken to avoid an incident or intervene to stop an incident from occurring.
- **Protect Mission:** Reduce the likelihood of attack on assets or systems and limit the impact should an attack occur.
- **Respond Mission:** Implement immediate actions to save lives, protect property, and meet basic human needs.

² After TOPOFF 4 and NLE 09 exercises, a fifth mission area – mitigation – was added to the homeland security mission areas. Mitigation is the effort to reduce loss of life and property by lessening the impact of disasters.

-
- Recover Mission: Develop, coordinate, and execute service- and site-restoration plans and reconstitute government operations and services through individual, private-sector, nongovernmental, and public assistance programs.

National level exercises are categorized into four tiers. These tiers reflect the priority for federal participation, with Tier I as the highest and Tier IV as the lowest, and are assigned based on their alignment with federal government-wide strategic and policy priorities.

As stated in the NEP Implementation Plan, a national level exercise is the single annual operations-based NEP Tier I exercise focused on White House-directed, U.S. government-wide strategy and policy-related issues that require the participation of all appropriate department and agency principals. There are 5 NEP Tier I exercises annually. TOPOFF 4 and NLE 2009 were both Tier I exercises. Tier II exercises are focused on strategy and policy issues supported by all appropriate departments and agencies. Tier III exercises focus on operational, tactical, or organization-specific objectives not requiring broad interagency headquarters-level involvement to achieve objectives. Tier IV exercises include state, territorial, local, or tribal governments and private sector entities as the primary training audience or subject of evaluation.

Results of Review

All TOPOFF 4 Corrective Actions Were Not Relevant for NLE 2009

As part of the National Exercise Program (NEP), emergency preparedness exercises attempt to build an integrated, interagency federal, state, territorial, local, and private sector capability to prevent terrorist attacks, and respond to and recover from any terrorist attack or major disaster. The first in a series of national preparedness exercises, TOPOFF 2000, simulated biological attacks in Colorado and New Hampshire. TOPOFF 2 simulated a radiological dispersal device detonation and an outbreak of pneumonic plague. The exercise included pre-exercise intelligence play, a cyber-attack, and credible terrorism threats against other locations. TOPOFF 3 was a large-scale, multipoint terrorist attack using biological and chemical weapons. TOPOFF 4 simulated a radiological dispersal device detonation near a power plant.

During the planning and conduct of NLE 2009, interagency planners were also engaged in planning NLE 2010, NLE 2011, and multiple Tier I and Tier II exercises. With these multiple events and associated planning meetings, concerns were expressed regarding the viability planning, evaluating, and incorporating lessons learned in the annual national level exercise.

FEMA officials stated that for NLE 2009, planners recognized that TOPOFF 4 and previous national level exercises focused almost exclusively on response operations and law enforcement, with insufficient emphasis placed on prevention and intelligence activities. Therefore, incorporating corrective actions into subsequent exercises may not be relevant in most cases since they do not want to test the same capabilities each year. FEMA officials concluded that it would be more beneficial to alternate the type of threat each year to incorporate pre- and post-incident exercises. As a result, this would better ensure that each of the homeland security mission areas was tested over time.

In preparation for NLE 2009, exercise planners agreed that a primary area of concern should be securing the southwest border and preventing terrorists from entering and attacking the United States. Because of these priorities, NLE 2009 focused exclusively on terrorism prevention and protection, as opposed to incident response and recovery, which resulted in different issues and objectives between TOPOFF 4 and NLE 2009. Exercise planners concluded that NLE 2009, as a prevention-focused exercise, would continue to accomplish national preparedness goals and objectives because of the emphasis placed on intelligence and information sharing that occurs in all national level exercises.

NLE 2009 was the first major exercise exclusively dedicated to terrorism prevention and protection. Specifically, this exercise focused on preventing an adversary's entry into the country through air, border, and maritime security and protecting various infrastructures and information through various alert and notification systems. Unlike past national level exercises, NLE 2009 did not have an incident response and recovery component, but highlighted intelligence and information sharing.

During the planning process for NLE 2009, FEMA officials reviewed past exercise improvement plans to determine (1) specific deficiencies requiring further examination, and (2) compatibility with the overall terrorism prevention focus for NLE 2009. TOPOFF 4 exercise simulated a bomb explosion that involved responding to radiological dispersal device attacks. The TOPOFF 4 Improvement Plan identified 54 corrective actions, of which 12 pertained to radiological events, 19 pertained to

recovery, 12 pertained to response, one was considered outside of TOPOFF 4's scope, and ten pertained to terrorism and prevention protection.

The TOPOFF 4 corrective actions incorporated into NLE 2009 were identified during the exercise planning phase as actions to be validated during the functional prevention exercise. The corrective actions include Emergency Operations Center management, on-site incident management, and public information and warning. The TOPOFF 4 corrective actions incorporated into NLE 2009 are listed below.

1. Incorporate national scenario-based guidance into regional planning, training, and exercise programs such as the Regional Interagency Steering Committee (RISC) or the Regional Assistance Committee (RAC).
2. Consider the use of virtual tools (such as web conferencing and chat rooms) to supplement National Incident Communications Conference Line (NICCL) calls.
3. Evaluate smart practices and suggestions on information management identified in the After Action Report (AAR).
4. Investigate information technology solutions that support e-mail distribution lists that can be easily modified.
5. Consider mechanisms to promote cross-jurisdictional coordination by public affairs officials.
6. Develop and promulgate written Strategic Communication Planning guidance; establish and exercise interagency strategic communication team to address national themes, effects, tasks, international engagement strategy, and processes and procedures.
7. Review and align meeting and reporting schedules.
8. Consider scope, attendance, and classification level of senior leadership meetings, as well as procedures for capturing and disseminating discussions, decisions, and taskings.
9. Review and update policy documents to clarify the purpose, roles, and responsibilities for various private sector nongovernmental organizations (NGO).

-
10. Articulate and institutionalize a process for private sector and NGO engagement in national-level exercises, including authority for planning, programming, and budgeting for national and venue working groups.

FEMA officials provided the following rationale for TOPOFF 4 corrective actions that were incorporated in NLE 2009:

Corrective Action 1

This corrective action relates to the On-Site Incident Management capability. This capability provides the means to accomplish a mission and achieve desired outcomes by performing critical tasks, under specified conditions, to target levels of performance.

Corrective Actions 2, 3, 4, 5 and 6

Although the focus of NLE 2009 was intelligence and information sharing, the exercise provided an opportunity to validate TOPOFF 4 corrective actions related to Public Information and Warning. Specifically, the exercise included interagency communication protocols to ensure that accurate and credible law enforcement and intelligence information was provided to the public. Electronic message transmissions and scheduled teleconferences among national, state, local and private sector participants facilitated information exchange. In addition, virtual tools, such as web conferencing and chat rooms, were a primary source of communication throughout the exercise.

Corrective Actions 7 and 8

These corrective actions relate to the Emergency Operations Center Management capability, and were incorporated in both the planning and conduct of NLE 2009. The DHS Secretary, White House staff, and other senior federal leaders participated in the exercise and related discussions.

Corrective Actions 9 and 10

These corrective actions relate to the Emergency Operations Center Management capability. Non-government agencies, as well as critical infrastructure facilities, participated in NLE 2009, with the National Joint Information Center serving as a focal point for coordinated and timely release of incident-related information to the public and media.

All TOPOFF 4 corrective actions were not incorporated into NLE 2009 since FEMA officials concluded that it is beneficial to alternate the type of

threats and related capabilities that are exercised. However, FEMA officials said that other federal departments and agencies have planned or conducted exercises related to corrective action scenarios from TOPOFF 4, as described in the following examples:

- The Department of Energy sponsored Empire 09, a three phase exercise which focused on a radiological dispersal device detonation in an urban environment. This provided an opportunity for response agencies to focus on Federal Radiological Monitoring and Assessment Center integration, responsibilities, and reporting.
- The Environmental Protection Agency sponsored Liberty RadEX 2010, which focused on long-term recovery from a radiological dispersal device detonation. This exercise provided an opportunity for participants to focus on recovery issues.

Barriers Exist That Hinder the Effectiveness of a Corrective Action Program

A major component of exercise evaluation is the After Action Conference which provides an opportunity for entities that participated in an exercise to exchange feedback and make necessary changes to an After Action Report/Improvement Plan. As part of the After Action Conference, corrective actions are assigned to a responsible person or agency.

The NEP Implementation Plan requires the establishment of a corrective action program, administered by DHS, to provide a government-wide process for identifying, assigning, and tracking remediation of interagency issues identified through exercises. Specifically, each participating department and agency is required to maintain a system for (1) identifying issues to be remedied, (2) making assignments to resolve the issues, and (3) tracking progress on issue resolution. The NEP Implementation Plan further requires that departments and agencies identify points of contact (POC) to oversee the implementation of corrective action plans, and update the CAP System on progress made towards implementing corrective actions.

FEMA's CAP System enables federal entities to access and track improvement plans from a single location, and ensures that lessons from exercises are either sustained or improved, as appropriate. However, we identified challenges that reduce the effectiveness of the CAP process.

Even though each participating agency or department is responsible for tracking and implementing corrective actions, we determined that not all agencies and departments that participated in national level exercises have assigned a POC to oversee corrective action implementation, and update the CAP System. FEMA managers explained that more emphasis was placed on the actual operation of the exercises, and less emphasis on corrective actions needed to resolve consequence management issues identified during the exercises. FEMA officials added that even when a POC is assigned to monitor corrective actions, if that person leaves the department or agency, a replacement POC is often not assigned to follow through on corrective actions.

FEMA is responsible for inputting initial corrective action data from national level exercises into the CAP System. However, tracking and implementing these corrective actions rests exclusively within the discretion of each participating agency or department, with FEMA having no enforcement authority. In addition, we identified no explicit statutory or executive authority that directs federal agencies to comply with corrective action implementation requirements outlined under the NEP Implementation Plan.

A common framework for corrective action follow-up is necessary to ensure lessons from exercises are either sustained or improved, as appropriate. In the absence of statutory or executive requirements for participation in a corrective action process by all national level exercise participants, there is reduced assurance that needed improvements identified during exercises will be monitored, tracked, and implemented, as appropriate.

Recommendation

We recommend that the Director, Office of Policy and Program Analysis:

Recommendation #1: Develop and implement reporting regulations for federal departments and agencies to assign POCs to oversee corrective action implementation, and update the CAP System on a consistent basis. This may require collaboration with the Exercise and Evaluation Sub-Interagency Policy Committee and the NEP Executive Steering Committee.

Management Comments and OIG Analysis

We evaluated FEMA's written comments and have made changes to the report where we deemed appropriate. Below is FEMA's written response to our recommendation and our analysis of the response. A copy of FEMA's response, in its entirety, appears in Appendix B.

FEMA Response: With regard to the recommendation, we concur with the importance of an oversight system and collaborative efforts to include the Exercise and Evaluation Sub-Interagency Policy Committee. We do not concur that development and implementation should be promulgated through a federal regulation, but suggest that FEMA work collaboratively with the White House to develop a mechanism, such as a White House Directive, to strengthen the process of the corrective action progress to include (1) making assignments to resolve issues, (2) tracking progress on issues resolution, and (3) identifying POCs to oversee the implementation of corrective action plans. As a side note, we are making strides regarding incorporating corrective actions into National Exercise Program objectives. We believe the revision of the National Exercise Program (currently underway) will standardize exercise doctrine and the corrective action process and strengthen the good conduct of departments and agencies participating in the National Exercise Program.

OIG Evaluation: As an alternative to our recommendation for corrective action oversight through federal regulation, we accept FEMA's suggestion to collaborate with the White House in developing a mechanism to strengthen corrective action progress. The recommendation will remain **unresolved and open** pending our receipt and review of the specific mechanism that will be developed to satisfy the intent of this recommendation.

Appendix A

Purpose, Scope, and Methodology

House Report 110-862, Department of Homeland Security Appropriations Bill, 2009, requires that we review changes made by the Federal Emergency Management Agency as a result of problems identified through TOPOFF 4, and make recommendations for any further improvements that may be needed. Pursuant to this requirement, we determined how the corrective actions identified in the TOPOFF 4 exercise series were incorporated into the planning and execution of NLE 2009.

We observed NLE 2009 activities from July 27 through July 31, 2009, and attended the After Action Conference in February 2010. An overview of NLE 2009 results were incorporated into an After Action Report. FEMA officials provided us with a draft of this report in February 2010. As such, we continued our fieldwork from March to May 2010, and interviewed FEMA top officials responsible for the design and execution of national level exercises. We analyzed relevant laws, policy documents, and records concerning the evolution and ongoing priorities of these exercises.

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 Council of the Inspectors General on Integrity and Efficiency.

Appendix B Management Comments to the Draft Report


U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472



FEMA

SEP 1 2010

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

FROM: David J. Kaufman 
Director
Office of Policy and Program Analysis

SUBJECT: Comments on OIG Draft Report, *FEMA's Implementation of Recommendations from Top Officials 4*

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG's) subject draft audit report. As the Federal Emergency Management Agency (FEMA) works toward refining its programs, the OIG's independent analysis of program performance greatly benefits our ability to continuously improve our activities.

We find the report properly identifies barriers that hinder the effectiveness of the current Corrective Action Program with regard to National Level Exercises (NLEs). In addition to providing comments on the findings and recommendation, we would like to clarify one area regarding the corrective actions related to NLE 09. The 10 corrective actions were not radiological incident response actions as indicated in the report, but rather these corrective actions were identified during the NLE 09 planning phase as actions to be validated during the functional prevention exercise. These include Emergency Operations Center (EOC) management, on-site incident management, and public information and warning. In addition, we find the subtitle of the Results in Review section does not accurately reflect the summary contents and recommend the subtitle be changed from *All TOPOFF 4 Corrective Actions Were Not Incorporated into NLE 2009* to *All TOPOFF 4 Corrective Actions Were Not Relevant for NLE 2009*. Finally, we would recommend a footnote be added to the section pertaining to homeland security mission areas (page 2) to indicate that since TOPOFF 4 and NLE 09, a fifth mission area – mitigation – has been added.

www.fema.gov

Appendix B

Management Comments to the Draft Report

Page 2

With regard to the recommendation, we concur with the importance of an oversight system and collaborative efforts to include the Exercise and Evaluation Sub-Interagency Policy Committee. We do not concur that development and implementation should be promulgated through a federal regulation, but suggest that FEMA work collaboratively with the White House to develop a mechanism, such as a White House Directive, to strengthen the process of the corrective action progress to include (1) making assignments to resolve issues, (2) tracking progress on issues resolution, and (3) identifying points of contacts (POCs) to oversee the implementation of corrective action plans. As a side note, we are making strides regarding incorporating corrective actions into National Exercise Program objectives. We believe the revision of the National Exercise Program, which is currently underway, will standardize exercise doctrine and the corrective action process and strengthen the good conduct of department and agencies participating in the National Exercise Program.

Thank you again for the opportunity to comment on this draft report and we look forward to working with you on other issues as we both strive to improve FEMA.

Appendix C
Major Contributors

Deborah Outten-Mills, Chief Inspector
Jacqueline Simms, Senior Inspector

Appendix D
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff for Policy
Deputy Chief 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
Administrator, FEMA
DHS Audit Liaison
FEMA 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.