



Department of Homeland Security Office of Inspector General

Independent Review of the U.S. Customs and Border Protection's Reporting of FY 2009 Drug Control Performance Summary Report





Homeland
Security

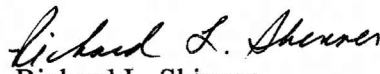
JAN 27 2010

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 presents the results of the review of the Performance Summary Report of the U.S. Customs and Border Protection for the fiscal year ending September 30, 2009, for the Office of National Drug Control Policy. We contracted with the independent public accounting firm KPMG LLP to perform the review. The U.S. Customs and Border Protection prepared the Performance Summary Report and management assertions to comply with requirements of the Office of National Drug Control Policy Circular, *Drug Control Accounting*, dated May 1, 2007. The U.S. Customs and Border Protection did not provide the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* for all performance measures, resulting in a deviation from the disclosure requirement of the Office of National Drug Control Policy Circular. In addition, the U.S. Customs and Border Protection was unable to assert that the methodology to establish performance targets is reasonable and applied. Apart from not providing these performance targets and assertions, nothing came to KPMG LLP's attention that caused them to believe the Performance Summary Report is not presented, in all material respects, in conformity with the Office of National Drug Control Policy's Circular. KPMG LLP is responsible for the attached independent accountants' report dated January 20, 2010, and the conclusions expressed in it. We do not express an opinion on the Performance Summary Report and management's assertions.

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.


Richard L. Skinner
Inspector General



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Accountants' Report

Inspector General
U.S. Department of Homeland Security:

We have reviewed the accompanying Performance Summary Report of the U.S. Department of Homeland Security's (DHS) Customs and Border Protection (CBP) for the year ended September 30, 2009. We were engaged to review the accompanying management's assertions for the year ended September 30, 2009. CBP's management is responsible for the preparation of the Performance Summary Report and assertions for compliance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting*, dated May 1, 2007 (Circular).

The ONDCP Circular requires management to make certain assertions related to the accuracy and completeness of the Performance Summary Report. Management was unable to assert that the methodology to establish performance targets is reasonable and applied, as required by the ONDCP Circular. In accordance with applicable professional standards, since management was unable to make an assertion that is required by the ONDCP Circular, we limited our review procedures to the Performance Summary Report only, and we are unable to provide a report on management's assertions pursuant to the requirements of the ONDCP Circular.

Our review of the Performance Summary Report was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Performance Summary Report. Accordingly, we do not express such an opinion.

In addition, our review disclosed that CBP has not provided the *Prior Years Performance Targets and Results* and *Current Year Performance Targets* resulting in a deviation from the disclosure criteria required by the ONDCP Circular.

Based on our review, except for the deviation from the criteria described in the preceding paragraph, nothing came to our attention that caused us to believe that the Performance Summary Report for the year ended September 30, 2009 is not presented, in all material respects, in conformity with ONDCP's Circular.

This report is intended solely for the information and use of the management of DHS and CBP, the Inspector General, the ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 20, 2010

**Performance Summary Report
U.S. Customs and Border Protection
FY 2009**

Measure 1: Inspection Narcotics Seizures – Cocaine, in pounds

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
CBP Air and Marine	196,850	101,993	188,561	129,043	63,521
Office of Border Patrol	12,338	12,885	14,242	9,268	10,907
Office of Field Operations	53,700	53,755	78,568	40,459	61,521
CBP TOTAL	262,888	168,633	281,371	178,770	135,949

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP’s overall mission to secure the nation’s borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP’s border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of cocaine seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.
- (2) **Prior Years Performance Targets and Results** - In FY 2009, CBP seized a total of 135,949 pounds of cocaine, which is a 24% decrease from FY 2008. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2009 and will not provide drug interdiction targets for FY 2010.
- (3) **Current Year Performance Targets** - One of CBP’s Strategic Goals, “Secure our Nation’s borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel” has as its performance objective “Use a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States.” While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP’s deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.
- (4) **Quality of Performance Data** - BorderStat is now CBP’s official statistical reporting system on all enforcement and operational statistical data across CBP’s operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager’s Dashboard, COMPStat,

and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP's operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2009. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

Measure 2: Inspection Narcotics Seizures – Marijuana, in pounds

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
CBP Air and Marine	79,369	110,781	308,792	245,699	1,052,771
Office of Border Patrol	1,211,823	1,369,602	1,859,299	1,647,166	2,591,215
Office of Field Operations	48,300	489,434	618,046	579,066	686,341
CBP TOTAL	1,339,492	1,969,817	2,786,137	2,471,931	4,330,327

- (1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP's overall mission to secure the nation's borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP's border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of marijuana seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.
- (2) **Prior Years Performance Targets and Results** - In FY 2009, CBP seized a total of 4,330,327 pounds of marijuana, which is a 75% increase from FY 2008. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2009 and will not provide drug interdiction targets for FY 2010.
- (3) **Current Year Performance Targets** - One of CBP's Strategic Goals, "Secure our Nation's borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel" has as its performance objective "Use a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States." While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered.

(4) **Quality of Performance Data** - BorderStat is now CBP's official statistical reporting system on all enforcement and operational statistical data across CBP's operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager's Dashboard, COMPStat, and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP's operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2009. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

Measure 3: Inspection Narcotics Seizures – Heroin in pounds

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
CBP Air and Marine	52	143	10	256	1
Office of Border Patrol	187	172	117	46	191
Office of Field Operations	2,500	2,452	2,040	1,876	1,819
CBP TOTAL	2,739	2,767	2,167	2,178	2,011

(1) **Performance Measures** - CBP plays a key role in the overall anti-drug effort at the border, due primarily to its statutory authority to regulate the movement of people and commodities between the U.S. and other nations. Drug interdiction is a priority undertaking encapsulated by CBP's overall mission to secure the nation's borders and prevent unlawful entry of dangerous people and goods while facilitating the legitimate flow of travel and trade. CBP's border and border nexus drug interdiction activities contribute to the National Drug Control Strategy by disrupting the flow of drugs into the United States. This performance metric focuses on the amounts of heroin seized at and between the ports of entry by Border Patrol agents, Air and Marine Interdiction agents, and CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.

(2) **Prior Years Performance Targets and Results** - In FY 2009, CBP seized a total of 2,011 pounds of heroin, which means there is 8% decrease from FY 2008. CBP reiterates its longstanding opposition to setting drug seizure performance targets and believes that these targets are misleading and counterproductive. CBP, therefore, did not provide targets for FY 2009 and will not provide drug interdiction targets for FY 2010.

(3) **Current Year Performance Targets** - One of CBP's Strategic Goals, "Secure our Nation's borders to protect America from the entry of dangerous people and goods and prevent unlawful trade and travel" has as its performance objective "Use a risk-based approach, deploy and employ the most effective inspection and scanning technology available at designated land border ports, airports, seaports, permanent Border Patrol traffic checkpoints, and international areas in which CBP operates to detect and prevent the entry of hazardous materials, goods, and instruments of terror

into the United States.” While drug interdiction is a priority mission, CBP does not set targets or goals for drug interdiction, as this is an unknown risk revealed only when discovered. CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP’s deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.

- (4) **Quality of Performance Data** - BorderStat is now CBP’s official statistical reporting system on all enforcement and operational statistical data across CBP’s operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager’s Dashboard, COMPStat, and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP’s operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2009. When examining historical data prior to FY 2008, there will be some variances from the statistics originally cited due to the fact that these data reside in a live Information Technology system and will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizures that were reported in the past.

JAN 19 2010



**U.S. Customs and
Border Protection**

MEMORANDUM FOR: Richard L. Skinner
Inspector General
Department of Homeland Security

FROM: Eugene H. Schied
Assistant Commissioner
Office of Administration

SUBJECT: Management's Assertions for U.S. Customs and Border
Protection's Drug Seizure Data

In compliance with the Drug Control Accounting Circular (the Circular) dated May 2007, U.S. Customs and Border Protection (CBP) submits its Performance Summary Report to the Office of National Drug Control Policy (ONDCP). The report contains the results of CBP performance in support of the National Drug Control Strategy.

CBP makes the following assertions:

- (1) Performance reporting system is appropriate and applied—CBP has a system to capture performance information accurately and the system was properly applied to generate the performance data. The source of the data is the CBP BorderStat data system. BorderStat pulls data from disparate sources and is the CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP's operational components. BorderStat is a live information technology system and, as a result, historical data will fluctuate as they are updated. To maintain consistency in reporting, the historical numbers represent seizure data that was previously reported.
- (2) Explanations for not meeting performance targets are reasonable based on the following wording in the guidance: "An assertion shall be made regarding reasonableness of any explanation . . . for revising or eliminating performance targets."
- (3) Adequate performance measures exist for all significant drug control activities—CBP has established at least one acceptable performance measure for each Drug Control Decision Unit identified in reports. Each performance measure considers the intended purpose of the National Drug Control Program Activity.
- (4) CBP is currently working with the DHS Office of Counter Narcotics Enforcement (ONCE) and ONDCP to identify and develop new drug-related outcome based measures with targets that are based on sound methodology.
- (5) To resolve past conflicts over the appropriateness of drug seizure statistics as performance indicators, and to resolve auditor-identified weaknesses, CBP reached an agreement with ONDCP to select and implement alternative drug control activity performance measures for the Fiscal Year (FY) 2010 and all future Performance Summary Reports. While the selection of alternative performance measures has not yet

While the selection of alternative performance measures has not yet been finalized, CBP has been examining the feasibility of providing counterdrug performance measures in addition to and/or other than drug seizure statistics for FY2010 that would both meet the targeting requirements set forth in the 2007 ONDCP Accounting Circular as well as adequately reflect CBP's drug control activities.

CBP cannot make the following assertion at this time:

- (1) Methodology to establish performance targets is reasonable and applied.

CBP reiterates its longstanding opposition to setting drug seizure performance targets because these targets are misleading. Such performance measures focus only on the amounts of cocaine, marijuana, and heroin seized at and between the ports of entry by or with the participation of CBP Officers, Border Patrol Agents, and Air Interdiction Agents, rather than on the efficacy of interdiction efforts to constrict the inbound flow of drugs into the United States. CBP considers a reduction in drug seizures as a positive indicator of CBP's deterrence efforts on the border. While drug seizures constitute a component of the mission, seizing drugs is not the ultimate goal. In fact, as CBP's interdictory strategy is implemented and mission effectiveness increased, the amount of seizures will actually decrease. Additionally, CBP believes that measuring success by agency seizures creates a competitive environment leading to less collaborative partnerships, team work, and sharing of information. Where partnerships do exist, the results can be mutually beneficial.

CBP believes that seizure data can be an important tool to measure results when these metrics are combined with discussion and assessment to assist with improving operations. Performance targets alone may offer an incorrect assessment of agency success, particularly if they do not focus on the correct strategic factors. Setting a target may also give importance to achieving a numerical goal and imply that agency resources should be expended toward this end, even if it is not aligned with agency strategies and goals.

Even though CBP maintains that its explanations for not setting drug seizure performance targets are reasonable, as CBP is currently seizing 100 percent of all drugs encountered, CBP will continue to work with DHS and the ODNCP to implement alternative performance measures for drug control activities agreed upon for the FY2010 Performance Summary Report.

To address any questions you have regarding this submission, please contact me at (202) 344-2300, or a member of your staff may contact Mr. Carl Sublett, Performance Improvement Officer (PIO), at (202) 344-3838.



Eugene H. Schied

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