Highlights of GAO-10-972, a report to congressional requesters

## Why GAO Did This Study

Recent terrorist activity, such as the attempted Times Square bombing, underscores the need for terrorismrelated information sharing. Since 2001, all 50 states and some local governments have established fusion centers, where homeland security, terrorism, and other intelligence information is shared. The federal government recognizes the importance of fusion centers; however, as GAO reported in October 2007, centers face challenges in sustaining their operations. GAO was asked to assess the extent to which (1) the Department of Homeland Security (DHS) has taken action to support fusion centers' efforts to maintain and grow their operations, and (2) DHS and the Department of Justice (DOJ) have supported fusion centers in establishing privacy and civil liberties protections. GAO reviewed relevant legislation and federal guidance; conducted interviews with 14 of 72 fusion centers, selected on the basis of location and time in operation, among other factors; and interviewed DHS and DOJ officials. The views of fusion center officials are not generalizable but provided insights.

### What GAO Recommends

GAO recommends that DHS define steps to develop and implement standard performance measures for centers and commit to a timeframe for completing them. DHS concurred and described steps it is taking to address the recommendation.

View GAO-10-972 or key components. For more information, contact Eileen Larence at (202) 512-8777 or larence@gao.gov.

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# INFORMATION SHARING

# Federal Agencies Are Helping Fusion Centers Build and Sustain Capabilities and Protect Privacy, but Could Better Measure Results

#### What GAO Found

Fusion centers have cited DHS grant funding as critical to achieving the baseline capabilities—the standards the government and fusion centers have defined as necessary for centers to be considered capable of performing basic functions in the national information sharing network, such as standards related to information gathering and intelligence analysis. However, DHS has not set standard performance measures for the centers. Fusion centers nationwide reported that federal funding accounted for about 61 percent of their total fiscal year 2010 budgets, but DHS's Homeland Security Grant Program (HSGP), the primary grant program through which fusion centers receive funding, is not specifically focused on, or limited to, fusion centers. Rather, states and local governments determine the amount of HSGP funding they allocate to fusion centers each year from among a number of competing homeland security needs. As a result, fusion centers continue to raise concerns about the lack of a longer-term, predictable federal funding source. DHS, in coordination with the Program Manager for the Information Sharing Environment and DOJ, has a nationwide assessment of centers' baseline capabilities under way. To be completed in October 2010, the goal of the assessment is to provide federal agencies and fusion centers with more accurate information on the status of centers' abilities, help identify gaps between centers' current operations and the baseline capabilities, and use this information to develop strategies and realign resources to close those gaps going forward. Recent federal guidance also requires that, by October 29, 2010, DHS should develop an annual reporting process that will document the total operational and sustainment costs of each of the 72 fusion centers in the national network so as to assess the adequacy of current funding mechanisms. If centers are to receive continued federal financial support, it is important that they are also able to demonstrate their impact and value added to the nation's information sharing goals. However, there are no standard performance measures across all fusion centers to do this. DHS has not started developing such measures because the agency is currently focusing on completing the nationwide assessment and compiling its results and, as such, has not defined next steps or target timeframes for designing and implementing these measures. Defining the steps it will take to design and implement a set of measures and committing to a target timeframe for their completion could better position DHS to demonstrate the value and impact of the national network of fusion centers.

To help fusion centers develop privacy and civil liberties policies and protections, DHS and DOJ have provided technical assistance and training, including a template on which to base a privacy and civil liberties policy, and a joint process for reviewing fusion centers' policies to ensure they are consistent with federal requirements. The 14 centers GAO interviewed were at different stages of the policy review process, with 7 completed as of June 2010. Officials from all 14 of the fusion centers GAO interviewed stated that the guidance DHS and DOJ provided was helpful and integral in assisting them to draft their policies.