

# OFFICE OF INSPECTOR GENERAL

Department of Homeland Security



## STRATEGIC PLAN

Fiscal Years 2008-2013



# DEPARTMENT OF HOMELAND SECURITY OFFICE OF INSPECTOR GENERAL

## VISION

We aspire to be agents of positive change who aid the Department of Homeland Security in continuously improving its management and program operations, and inspire innovation in our own offices and within the Inspector General community.



## MISSION

We serve as an independent and objective audit, inspection, and investigative body. We conduct and supervise audits, inspections, special reviews, and investigations of the department's programs and operations, including program and financial management, contract and grant activity, and disaster relief efforts. We conduct these reviews to offer recommendations for improving the economy, efficiency, and effectiveness of department operations and activities, when necessary; and to deter, identify, and address fraud, waste, and abuse. We annually publish an aggressive schedule of audits, inspections, and investigations that will assist the department in fulfilling its mission and goals, and report our findings to the Secretary, the Congress, and the public, when appropriate.



## VALUES/PRINCIPLES

- Integrity
- Respect
- Excellence
- Teamwork
- Accountability
- Innovation
- People

# The Inspector General's Message

Office of Inspector General  
U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

August 25, 2008

We are firmly committed to improving the efficiency and effectiveness of the Department of Homeland Security's programs and operations. To that end, this 5-year strategic plan addresses our efforts to assist the department in achieving its mission and goals, and in resolving its major management challenges. In addition and just as importantly, we establish our priorities in conjunction with congressional priorities and legislative mandates.

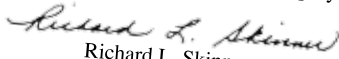
This plan reiterates our statutory missions, and communicates our performance goals and strategies for achieving those goals. We strive to have a consultative and collaborative working relationship with senior management officials, while providing constructive and objective information to promote Department of Homeland Security management decisionmaking and accountability. Our goals reflect our aims to aid the department in improving its performance and to improve our own internal operations and performance.

This plan establishes a broad vision for the next 5 years, while also providing a comprehensive focus on the major issues facing the department and our office. Pursuant to the *Inspector General Act of 1978*, as amended, "the Inspector General of the Department of Homeland Security shall be the principal adviser to the Secretary of Homeland Security for matters relating to the prevention of fraud, waste, and abuse in the programs and operations of the department." The Act also requires the Inspector General to keep the Secretary and the Congress fully informed of the problems and deficiencies relating to the administration of the department's programs and operations, and to make recommendations for corrective action. We primarily will fulfill these requirements through the issuance of audit, inspection, and investigative reports, and the referral of cases to the United States Attorney General for prosecution. Our work over the next 5 years will focus on the department's major management challenges and attempt to answer the question posed in the department's Homeland Security Strategic Plan—How well is the department leading a coordinated national effort to secure the Nation and preserve our freedoms?

The Department of Homeland Security's strategic goals and objectives are included in this plan, along with our assessment of the major management challenges facing the department. This plan further describes:

- Our vision and mission;
- The core values guiding our work;
- The goals and objectives that we plan to accomplish;
- Our strategies for achieving our goals and objectives; and
- The critical external factors that may affect our ability to achieve our goals.

This strategic plan also will be used to develop our annual performance plan, which describes the work we expect to accomplish each year. Our annual performance plan will reflect work priorities, resource allocations, and performance measures that relate to the goals, objectives, and strategies detailed in this strategic plan. Our performance measures will enable us to measure our success in assisting the department in achieving its goals, and in measuring our office's innovative practices and employee satisfaction.

  
Richard L. Skinner  
Inspector General

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# Vision, Mission, and Values/Principles

## Vision

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## Mission

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## One OIG Team Focused and Committed to the Following Values and Principles

**Integrity** — We faithfully execute the duties and responsibilities entrusted to us, and we will maintain the highest ethical and professional standards. We believe that our integrity is the foundation to our reputation in the department, with the Congress, and within the Inspector General community.

**Respect** — We value highly the relationships we build with our customers, partners, and stakeholders.

**Excellence** — We will produce high-quality products such as reports, testimonies, briefings, legal opinions, and other services that are accurate, timely, relevant, and responsive to the needs of the department and the Congress.

**Teamwork** — We will work together to identify problems, provide recommendations, share information, and promote best practices. Every staff person, customer, partner, and stakeholder has something of value to contribute. By working cooperatively together, we can better achieve the Department of Homeland Security's and our missions and goals.

**Accountability** — We will assess our work, evaluate the results, and incorporate lessons learned to enhance our performance. We will communicate our progress to the Secretary, the Congress, and the American people, operating as transparently as possible and routinely measuring the success of our progress.

**Innovation** — We will seek to be innovative. New ideas and creativity are fundamental to continued growth, improvement, and problem solving.

**People** — We recognize that our people are our most valuable asset. The diversity of their backgrounds, experiences, and skills adds to their value. We will hire, train, and place the very best people in jobs to which they are most suited. We are committed to personal and professional growth and will create new opportunities to train and to learn. We will provide a positive, stimulating, and professional work environment that fosters clear communication and transparent decisionmaking.

# Department of Homeland Security Office of Inspector General

The *Inspector General Act of 1978* (P.L. 95-452), as amended, established Inspector General (IG) offices in federal departments and agencies. The *Homeland Security Act of 2002* (P.L. 107-296) established the Office of Inspector General (OIG) in the Department of Homeland Security (DHS), by amendment to the *Inspector General Act*. By this action, Congress ensured independent and objective audits, inspections, special reviews, and investigations of the operations of the new department.

## The Inspector General

The DHS IG is appointed by the President, confirmed by the Senate, and reports directly to the head of the department. This unique feature enhances the IG's ability to:

- Promote economy, efficiency, and effectiveness in the management of the department's programs and supporting operations, and promote efforts to detect and prevent fraud, waste, and abuse;
- Conduct and supervise audits, inspections, special reviews, and investigations, relating to the department's programs and support operations;
- Review existing and proposed legislation and regulations and make appropriate recommendations; and
- Inform the Secretary and the Congress of serious problems, recommend corrective actions, and monitor implementation of those actions.

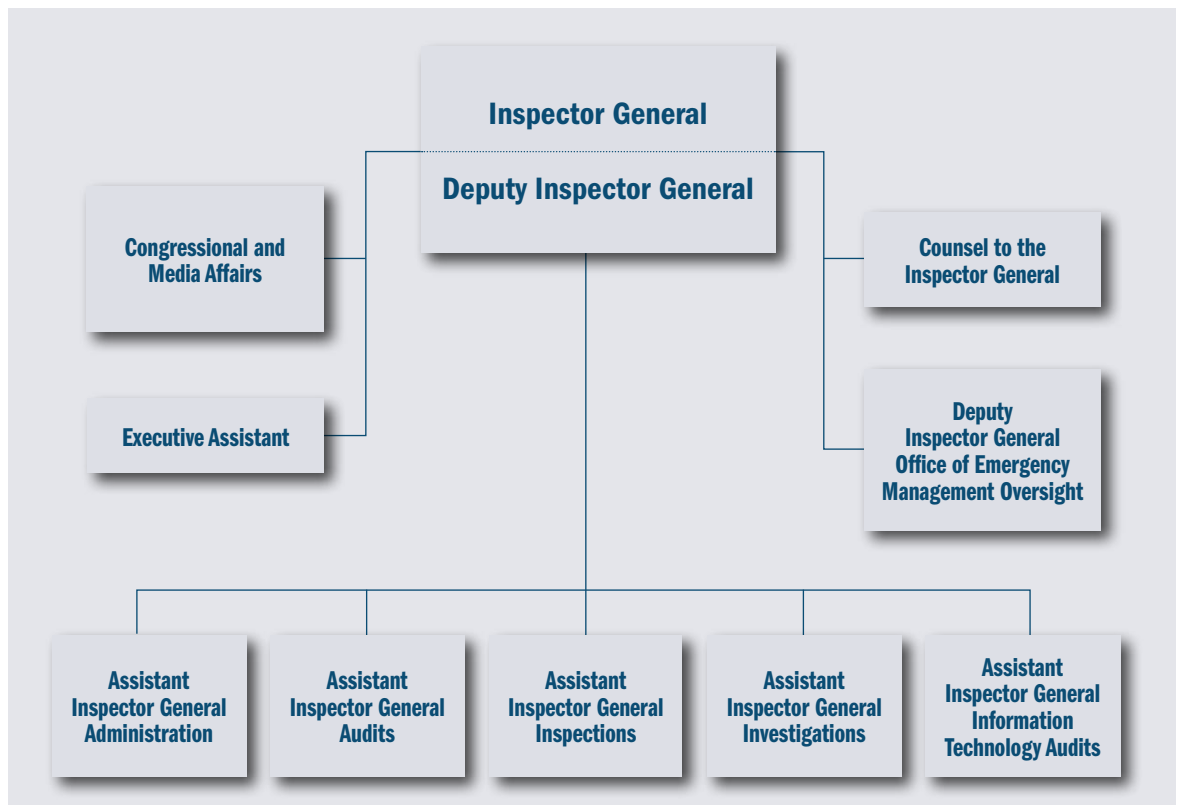
## Our Organizational Structure

The DHS OIG comprises eight components based in Washington, DC, and includes field offices that are strategically located throughout the country. As of October 1, 2007, we were authorized approximately 550 full-time employees who work to assist the department in accomplishing its mission.

The DHS OIG Management Team is depicted in the figure below.

**The Executive Office** consists of the IG, the Deputy IG, an executive assistant, and support staff. It provides executive leadership to the OIG.

**The Office of Counsel to the Inspector General** provides legal advice to the IG and other management officials; supports audits, inspections, special reviews, and investigations by ensuring that applicable laws and regulations are followed; serves as the OIG's designated ethics office; manages the OIG's *Freedom of Information Act* and Pri-



*nacy Act* responsibilities; furnishes attorney services for the issuance and enforcement of OIG subpoenas; and provides legal advice on OIG operations.

### **The Office of Congressional and Media Affairs**

serves as primary liaison to members of Congress and their staffs, the White House and Executive Branch, the media, and to other federal agencies and governmental entities involved in securing the Nation. The office's staff responds to inquiries from the Congress, the White House, and the media; notifies Congress about OIG initiatives, policies, and programs; and informs others governmental entities about OIG measures that affect their operations and activities. The office also, provides advice to the IG and supports OIG staff as they address congressional, White House, and media inquiries.

**The Office of Audits** conducts and coordinates audits and program evaluations of the management and financial operations of DHS. Auditors examine the methods employed by agencies, bureaus, grantees, and contractors in carrying out essential programs or activities. Audits evaluate whether established goals and objectives are achieved and resources are used economically and efficiently; whether intended and realized results are consistent with laws, regulations, and good business practice; and determine whether financial accountability is achieved and the financial statements are not materially misstated.

**The Office of Emergency Management Oversight** provides an aggressive and ongoing audit effort designed to ensure that disaster relief funds are spent appropriately, while identifying fraud,

waste, and abuse as early as possible. The office keeps the Congress, the Secretary, the Administrator of the Federal Emergency Management Agency (FEMA), and others fully informed on problems relating to disaster operations and assistance programs, and progress regarding corrective actions. The office focus is weighted heavily toward prevention, including reviewing internal controls, and monitoring and advising DHS and FEMA officials on contracts, grants, and purchase transactions before they are approved. This allows the office to stay current on all disaster relief operations and provide on-the-spot advice on internal controls and precedent-setting decisions. A portion of its full-time and temporary employees are dedicated to gulf coast hurricane recovery.

### **The Office of Information Technology Audits**

conducts audits and evaluations of DHS' information management, cyber infrastructure, and systems integration activities. The office reviews the cost effectiveness of acquisitions, implementation, and management of major systems, and telecommunications networks across DHS. In addition, it evaluates the systems and related architectures of DHS to ensure they are effective, efficient, and implemented according to applicable policies, standards, and procedures. The office also assesses DHS' information security program as mandated by the *Federal Information Security Management Act*. In addition, this office provides technical forensics assistance to OIG offices in support of OIG's fraud prevention and detection program.

**The Office of Inspections** provides the IG with a means to analyze programs quickly and to evaluate operational efficiency and vulnerability. This

work includes special reviews of sensitive issues that arise suddenly and congressional requests for studies that require immediate attention. Inspectors may examine any area of the department. In addition, the office is the lead OIG unit for reporting on DHS intelligence, international affairs, civil rights and civil liberties, and science and technology. Inspectors use a variety of study methods and evaluation techniques to develop recommendations for the department.

**The Office of Investigations** conducts investigations into allegations of criminal, civil, and administrative misconduct involving DHS employees, contractors, and grantees, including disaster response and recovery operations. This office examines specific allegations, reports, or other information indicating possible violations of laws or regulations. Additionally, it monitors the investigative activity of DHS' various internal affairs offices.

**The Office of Administration** provides critical administrative support functions, including OIG strategic planning; development and implementation of administrative directives; the OIG's information and office automation systems; budget formulation and execution; correspondence; printing and distribution of OIG reports; and oversight of the personnel, procurement, travel, and accounting services provided to the OIG on a reimbursable basis by the Bureau of Public Debt. The office also prepares the OIG's annual performance plans and semiannual reports to the Congress.



# DHS OIG Performance Goals, Objectives, Strategies, and Measures

The performance measures identified here will serve as a basis to determine the overall effectiveness of our work. These goals and measures will be updated as necessary, in our Annual Performance Plan, to ensure maximum effectiveness in meeting the changing needs of the department and to accommodate unpredictable factors.



## **Goal 1. Add value to DHS programs and operations.**

**Objective 1.1:** Build relationships with DHS management, Congress, and other interested parties based on shared commitment to improving the efficacy and impact of DHS' programs and operations.

### **Strategy:**

- Establish formal and informal feedback mechanisms to ascertain the level of DHS and congressional satisfaction with our products and services. Incorporate DHS and congressional feedback in the development of all subsequent products and services.
- Promote open exchange of ideas and information between DHS program staff and our staff through an assertive outreach program. Encourage OIG staff to speak at DHS-sponsored seminars and conferences, to attend DHS-sanctioned events, and participate in interagency forums and committees.
- Maintain a continuous open dialogue with both the Congress and DHS management to identify opportunities to:
  - streamline operations;
  - reduce unnecessary regulations;
  - improve customer service; and
  - minimize costly; duplicative, and inefficient programs, policies, procedures, and practices.

**Objective 1.2:** Identify and address the needs and priorities of DHS management, Congress, and other interested parties.

### **Strategy:**

- Develop an annual work plan that is based on a risk-based analysis of DHS' programs, operations, and activities. Our analysis will consider the following factors when defining priorities:
  - Statutory and regulatory requirements;
  - Adequacy of management controls as indicated by reviews conducted pursuant to the *Federal Managers' Financial Integrity Act of 1982*;
  - Management and congressional needs;
  - Newness, changed conditions, or sensitivity of DHS' programs, operations, and activities;
  - Amount of money associated with the program/activity and the potential for fraud, waste, abuse, and mismanagement;
  - Availability of resources (OIG or contractor);
  - Information from internal DHS management reports, management information systems, and congressional testimony;
  - Prior OIG experience; and
  - Results of other audits, inspections, special reviews, and investigations, such as those conducted by the Government Accountability Office, the Office of Management and Budget (OMB), state or local government auditors, etc.

- Solicit DHS and congressional ideas and concerns in planning our activities. Maintain a continuous dialogue with DHS management and program officials, Congress, and other interested officials to understand their priorities, concerns, and needs. Identify substantive issues and participate in candid discussions to identify projects where strong positive change could result from an OIG review.
- Provide greater flexibility and discretionary time in the annual work plan to enable our managers to better react to unforeseen significant problems that will inevitably arise during the year.

**Objective 1.3:** Present findings and recommendations to DHS management, Congress, and other interested parties in a timely manner to satisfy their needs and achieve maximum impact on DHS programs and operations.

**Strategy:**

- Review all proposed legislation and regulations, significant standard operating procedures, and other DHS policy pronouncements affecting DHS programs and activities, and advise the Secretary, the Congress, administration officials, and program managers, as appropriate, on the economy, efficiency, effectiveness, and integrity implications.

- Provide advice or other necessary assistance to DHS officials and Congress by developing a range of alternative mechanisms to respond quickly to program and operational problems other than formal audit, inspection, and investigative reports. Immediately alert management officials to emerging problems and issues that could affect DHS programs and operations.
- Communicate the results of our work and concerns to DHS, Congress, and other interested officials through appropriate and effective means, such as our website, semiannual report, regular briefings, meetings, and testimony.

**Performance Measures**

- 1.1** Achieve at least 85% concurrence with recommendations contained in our audit and inspection reports.
- 1.2** Provide audit and inspection coverage of 75% of DHS’ strategic objectives, the President’s Management Agenda, and the most serious management challenges facing DHS.
- 1.3** Complete draft reports for at least 75% of audits and inspections within 6 months of the project start date, i.e., entrance conference.

President’s Management Agenda
Strategic Management of Human Capital
Competitive Sourcing
Improved Financial Performance
Expanded Electronic Government
Budget and Performance Integration
DHS Goals
Protect Our Nation from Dangerous People
Protect Our Nation from Dangerous Goods
Protect Critical Infrastructure
Build a Nimble, Effective Emergency Response System and Culture of Preparedness
Strengthen and Unify DHS Operations and Management
Major Management Challenges Facing DHS
Catastrophic Disaster Response and Recovery
Acquisition Management
Grants Management
Financial Management
Information Technology Management
Infrastructure Protection
Border Security
Transportation Security
Trade Operations and Security

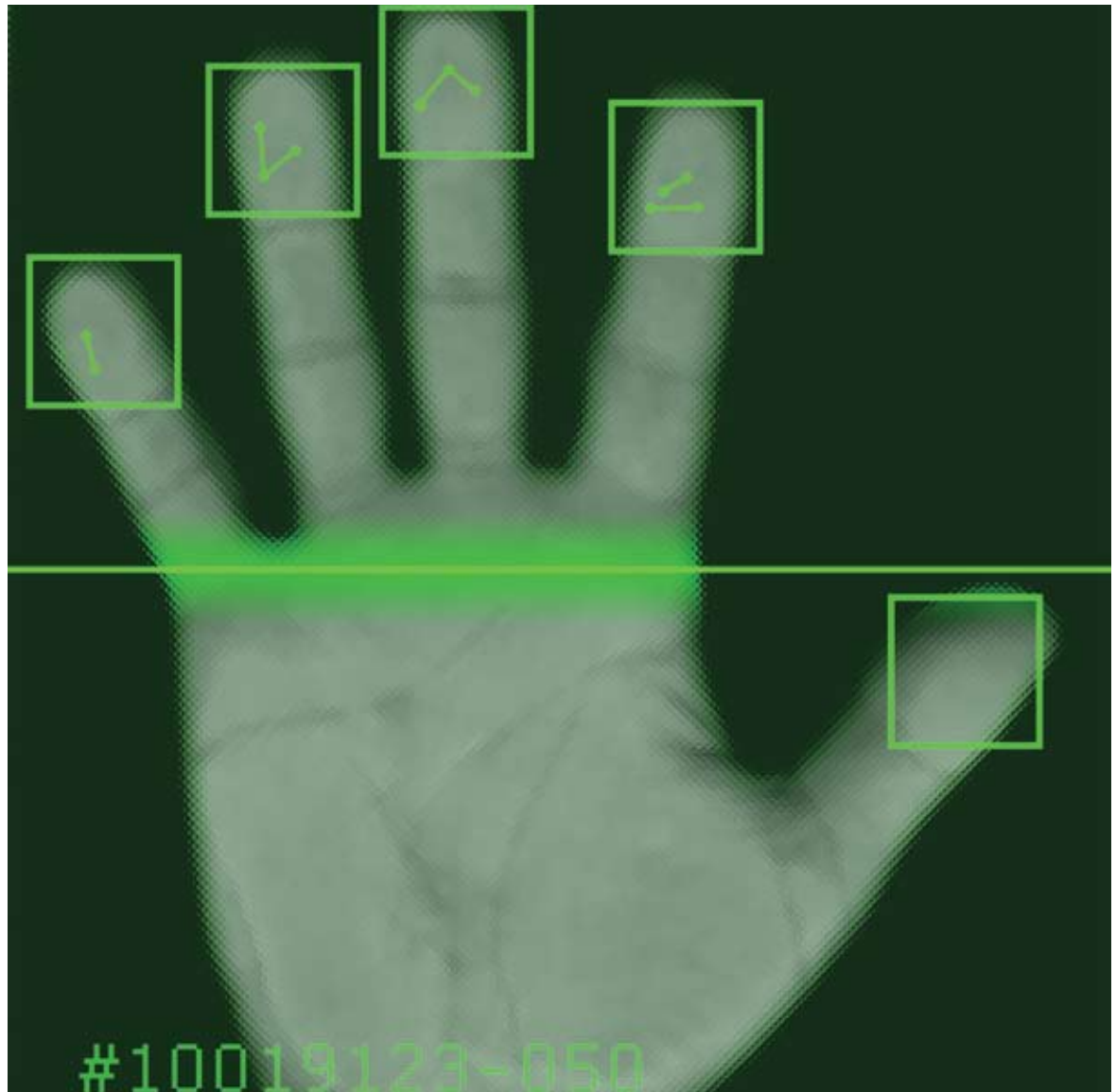
## Goal 2. Ensure integrity of DHS programs and operations.

**Objective 2.1:** Concentrate resources on: (1) critical management control systems, financial systems, and information management systems that have the greatest impact on the integrity of DHS' programs and operations; and (2) high-risk, vulnerable programs and activities.

### Strategy:

- Perform work that supports and meets the requirements of all relevant legislation.
- Develop and implement annual risk-based work plans that focus on the critical issues within DHS. Work will focus on potential positive effect on costs, service delivery, accomplishment of program objectives, and vulnerable programs and activities. Particular emphasis will be placed on programs and operations that protect the Nation from dangerous people and dangerous goods; protect critical infrastructure; build the Nation's emergency response system and preparedness; and strengthen and unify DHS operations and management. See page 18 for specific areas of focus over the next 5 years.

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The department has launched several initiatives involving fingerprinting to speed the completion of employee background investigations and to identify potential terrorists.

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- Monitor and identify improvements to DHS' policies and procedures governing its grants management programs. In particular, work with DHS to monitor and follow up on independent external audits of DHS' grantees and subgrantees under the *Single Audit Act*, as amended. Use the results of audits and investigations of grantees and subgrantees as a tool for identifying areas for further analysis, and for helping DHS improve grants management practices and program performance.
- Participate in an advisory capacity on DHS oversight boards, action committees, and working groups responsible for the design, development, and implementation of DHS programs and operations. These include groups such as DHS' Information Sharing Coordinating Council, Data Privacy and Integrity Advisory Committee, Pandemic Influenza Planning Meeting, and Improvised Explosive Devices Workgroup.
- Develop productive relationships with prosecutive authorities to enhance our ability to pursue high-impact criminal prosecutions and civil actions. Participate on joint task forces with other federal, state, and local entities to leverage our resources.
- Expand the scope of our efforts to make optimal use of the Department of Justice's Affirmative Civil Enforcement program, asset forfeiture statutes, and DHS' contractor suspension and debarment guidelines.
- Maintain and publicize the OIG "Hotline," which provides a prompt, effective channel for DHS employees, contract personnel, as well as private citizens to report to us incidents of fraud, waste, and abuse. Review and act appro-



priately on all allegations received through the Hotline within 60 to 90 days of the call.

- Monitor DHS' work with the Defense Contract Auditing Agency to ensure that DHS' Senior Procurement Executive is provided with the broadest audit coverage possible of the department's contractors and subcontractors.

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**DHS is working to better secure the Nation's passenger transportation systems, including passenger ships.**

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**Objective 2.2:** Products and services result in enforcement and corrective actions.

**Strategy:**

- Maintain an accurate and current recommendation followup system to include documented verification of corrective actions, as appropriate. Elevate unresolved critical issues to the appropriate DHS officials in a timely manner.
- Analyze prior audits, investigations, and reviews, at least annually, to identify program vulnerabilities. Provide technical advice and recommendations for change based on insights developed through that analysis.

**Performance Measures**

**2.1** Provide audit coverage of each of DHS' grant programs.

**2.2** Achieve at least 85% concurrence from DHS management with our recommendations on grant audits.

**2.3** At least 75% of substantiated investigations are accepted for criminal, civil, or administrative action.

**2.4** At least 75% of investigations referred result in indictments, convictions, civil findings, or administrative actions.

**Goal 3. Deliver quality products and services.**

**Objective:** Continually deliver quality products and services that are credible, accurate, and complete.

**Strategy:**

- Implement a robust quality assurance program and conduct internal quality control reviews to ensure that audits, inspections, special reviews, and investigations are conducted according to appropriate laws, regulations, and accepted professional standards as appropriate to achieve the assignment objectives.
- Ensure that an external peer review is conducted at least every 3 years.
- As appropriate, increase the involvement of our managers and staff with specialized skills in the planning and conduct of significant audits, inspections, special reviews, and investigations.
- Discuss all significant findings and recommendations with DHS prior to the issuance of a final audit report.
- Improve the use of automation as a means to monitor and report the status of our audits, inspections, special reviews, and investigations; to maintain progress toward established objectives; and to ensure the timely delivery of our products and services.

**Performance Measure**

**3.1** Implement 100% of peer review recommendations.

**3.2** Discuss 100% of performance report findings and recommendations with DHS before issuing the final report.

## Goal 4. Value and develop OIG employees.

**Objective:** Maintain a skilled, diverse, and motivated workforce by creating a positive work environment that fosters professionalism, integrity, innovation, accountability, teamwork, and professional development.

### Strategy:

- Develop and implement a recruitment strategy, and administer a recruitment program that adheres to Equal Employment Opportunity principles; reaches a wide population of well-qualified candidates with the knowledge, skills, abilities, and experience necessary to make meaningful contributions to our mission; and plans for and rapidly fills vacancies.
- Administer and invest in a comprehensive employee development and training program that emphasizes communications between supervisors and employees, and includes annual individual development plans for each employee. To the extent possible, details, job rotations, and exchange programs should be considered, as well as involvement in professional organizations and professional certifications.
- Require staff to attend annual ethics training.
- Maintain a positive and productive work environment that promotes teamwork and effective communications. Form cross-functional teams, whenever possible, to take advantage of the full range of OIG skills and expertise.

- Continuously evaluate staff needs and evolving automation and communications technologies and equip employees with the automated tools needed to help them perform their jobs in a more effective and efficient manner.
- Hold frequent meetings to keep staff informed and hold periodic management conferences to discuss office-wide issues and needed innovation. Encourage employees to offer constructive feedback and solutions about the management and direction of the office.
- Invest in people through employee wellness programs, and employee incentive programs.
- Monitor employee satisfaction through the use of the DHS/Office of Personnel Management (OPM) Human Capital Survey.
- Formally evaluate staff performance at least annually, and encourage more frequent informal evaluations.

### Performance Measures

- 4.1** Results from the DHS Annual Human Capital Survey yield a 10% improvement in the overall positive response rate as compared to the previous DHS annual survey or OPM Federal Human Capital Survey (conducted every 2 years).
- 4.2** Establish and implement an employee training program for DHS OIG.
- 4.3** Ensure that 100% of DHS OIG employees have an annual Individual Development Plan.



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**We communicate the results of our work and concerns to DHS, Congress, and other interested officials through appropriate and effective means, such as our public website, semiannual report, regular briefings, meetings, testimony, and dissemination of public information to the media.**

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- 4.4** Ensure that 100% of all eligible DHS OIG employees have an Individual Performance Plan, and receive an annual Rating of Record.
- 4.5** Ensure that 100% of all staff attend mandatory training, or at least 80 hours of job related training every two years.

# Profile of the Department of Homeland Security

## The Beginning

On November 25, 2002, President George W. Bush signed the *Homeland Security Act* (P.L. 107-296) officially creating DHS with the primary mission of protecting the American homeland. On January 24, 2003, DHS became the Nation's 15th and newest Cabinet department. The President appointed Governor Thomas Ridge as the department's first Secretary.

The new department took a major step forward on March 1, 2003, when according to the President's reorganization plan, 22 agencies and approximately 180,000 employees were consolidated under one unified organization. By September 30, 2003, all of the personnel transfers to the new department were complete.

## The Second Stage Review: Building a Department

Shortly after taking office in February 2005, Secretary Michael Chertoff launched a Second Stage Review (2SR) that evaluated the department's operations, policies, and structures. The 2SR was conducted with the following core principles in mind:

- DHS must base its work on priorities that are driven by risk.
- DHS must drive improvement with a sense of urgency.

- DHS must be an effective steward of public resources.
- DHS' work must be guided by the understanding that a network of systems are needed at all levels of government and the private sector.

## The Post-Hurricane Katrina Emergency Management Reform Act

In the aftermath of Hurricane Katrina, Congress passed the *Post-Katrina Emergency Management Reform Act of 2006* (Title VI of P.L. 109-295) to address the many shortcomings of FEMA's performance during the hurricane season of 2005. FEMA's program authorities for preparing for and responding to major disaster events were expanded, as well as the agency's responsibilities within the department, which now include:

- The United States Fire Administration,
- The Office of Grants and Training,
- The Chemical Stockpile Emergency Preparedness Division,
- The Radiological Emergency Preparedness Program, and
- The Office of National Capital Region Coordination.

The Act also resulted in the creation of the National Protection and Programs Directorate, which comprises the offices for the Under Secretary, Infrastructure Protection, Cyber Security

and Communications, Risk Management and Analysis, Intergovernmental Programs, and US-VISIT.

## The Department Today and its Goals

DHS' mission is to lead a coordinated national effort to secure the Nation and preserve our freedoms. DHS also has adopted a risk management approach to decisionmaking and resource allocation. DHS' goal is to achieve its mission by analyzing threats and intelligence, guarding our borders and airports, protecting our critical infrastructure, promoting preparedness, and coordinating the response of our Nation to future emergencies. DHS' goals are listed below.

### DHS' Goals

- Goal 1.** Protect Our Nation from Dangerous People
- Goal 2.** Protect Our Nation from Dangerous Goods
- Goal 3.** Protect Critical Infrastructure
- Goal 4.** Strengthen our Nation's Preparedness and Emergency Response Capabilities
- Goal 5.** Strengthen and Unify DHS Operations and Management

Currently, the department is organized into the following directorates: Management, Science and Technology, and National Protection and Programs.

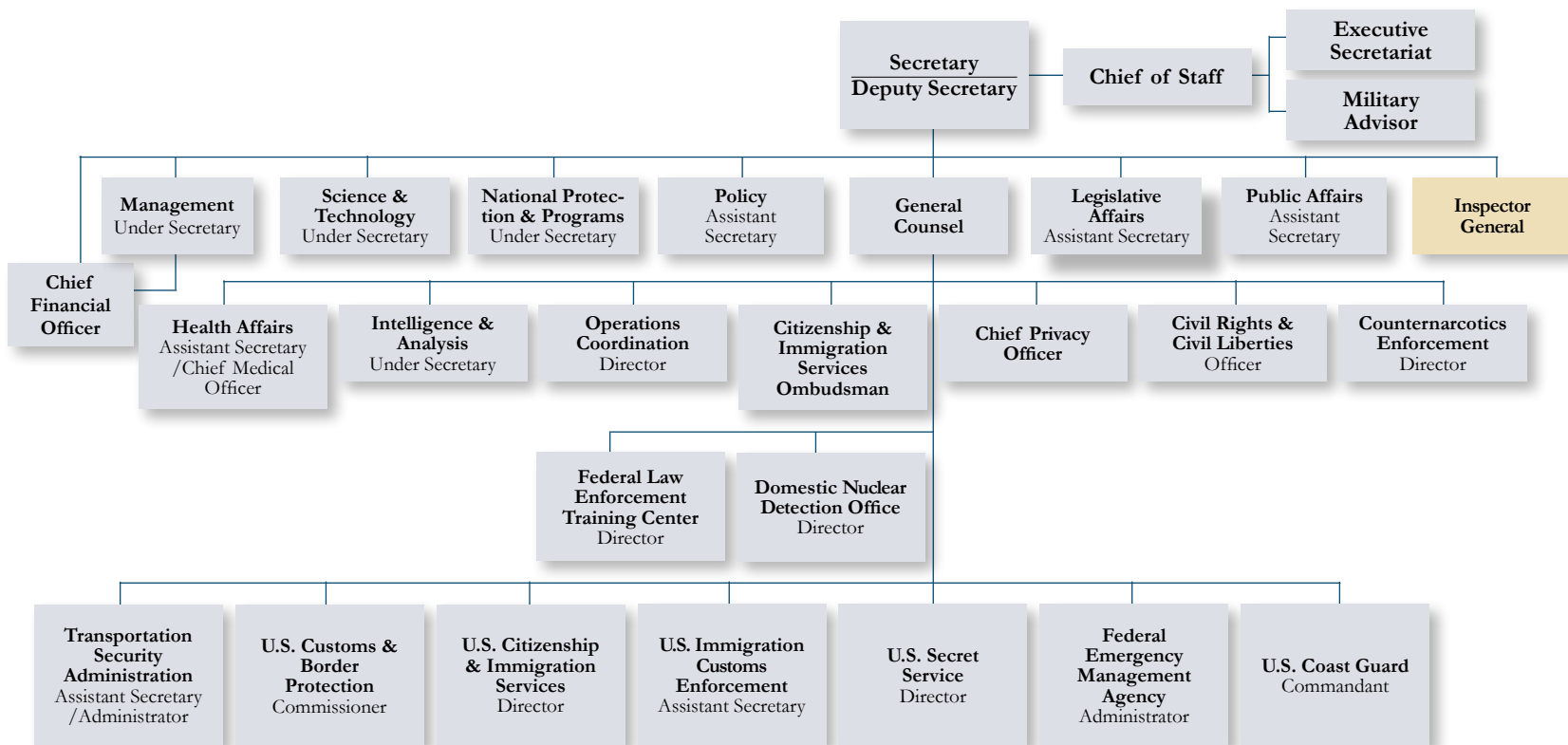
Other critical components of DHS include:

- Domestic Nuclear Detection Office
- Federal Emergency Management Agency
- Federal Law Enforcement Training Center
- Office of Civil Rights and Civil Liberties
- Office of Health Affairs
- Office of Inspector General
- Office of Intelligence and Analysis

- Office of Operations Coordination
- Counternarcotics Enforcement
- Transportation Security Administration (TSA)
- United States Citizenship and Immigration Services
- United States Coast Guard (USCG)
- United States Customs and Border Protection (CBP)

- United States Immigration and Customs Enforcement (ICE)
- United States Secret Service

The DHS organization is depicted in the chart below.





# Management Challenges Facing the Department of Homeland Security

In our December 2007 report, *Major Management Challenges Facing the Department of Homeland Security* (OIG-08-11), we identified DHS' major management challenges. By identifying these challenges, we are better able to establish the critical risk areas on which to focus our resources. The department's major challenges are described below.

## Catastrophic Disaster Response and Recovery

DHS' failures after Hurricane Katrina illuminated a number of issues, including questionable leadership decisions and capabilities, organizational failures, overwhelmed response and communications systems, and inadequate statutory authorities. We are completing several reviews to help FEMA turn lessons learned into problems solved. DHS' and FEMA's major management challenges relate to the following areas: coordination of disaster response efforts; catastrophic planning; logistics, acquisitions, housing, and evacuation.

## Acquisition Management

Effective acquisition management is fundamental to DHS' ability to accomplish its missions. DHS tends to focus its acquisition strategies on the urgency of meeting mission needs rather than balancing urgency with good business practices. This leaves DHS vulnerable to spending millions of dollars on unproductive investments. We have conducted audits and reviews of individual

DHS contracts, and cross-cutting acquisition issues, such as the acquisition workforce process. Our audits have identified common themes and risks, primarily the dominant influence of expediency, poorly defined requirements, and inadequate oversight that contributed to ineffective or inefficient results and increased costs.

## Grants Management

Managing the multitude of grant programs within DHS poses a significant challenge. Further, the grant programs of other federal agencies that assist states and local governments in improving their abilities to prepare for, respond to, and recover from acts of terrorism or natural disasters compound this challenge. Congress continues to authorize and appropriate funding for individual grant programs with similar, if not identical, purposes. DHS must do more to coordinate and manage grants that are stove-piped for specific, but often related, purposes.

## Financial Management

Financial management is a significant challenge for DHS. A number of material weaknesses in internal control continue to exist across DHS. The material weaknesses in internal control are impediments to obtaining an unqualified opinion and have precluded management from giving positive assurance over internal control at the department level. DHS' ability to obtain an unqualified audit report, and provide assurances

that its system of internal control is designed and operating effectively, is highly dependent on process and procedural improvements across DHS.

## Information Technology Management

Integrating information technology (IT) systems, networks, and capabilities of the various legacy agencies to form a single infrastructure for secure, effective communications and information exchange remains one of DHS' biggest challenges. It is essential that DHS implement a department-wide program to ensure effective information security controls and address IT risks and vulnerabilities. It also is critical that DHS acquire and implement systems and other technologies to streamline operations within DHS component organizations, and to support effective information sharing with state and local governments, and others. Finally, DHS is challenged in addressing privacy concerns while integrating its myriad systems and infrastructures.

## Infrastructure Protection

The Nation's distribution of critical infrastructure and key resources (CI/KR) is enormous and complex. The requirement to rely on federal partners and the private sector to deter threats, mitigate vulnerabilities, or minimize incident consequences complicates protection efforts for all CI/KR. DHS continues to face a challenge in prioritizing its protection efforts based on risk and mission requirements. DHS also needs to

incorporate threat information into its risk assessments and coordinate the funding of protective measures for CI/KR.

### **Border Security**

One of DHS' primary missions is to reduce the Nation's vulnerability to terrorism by controlling the borders of the United States. This depends on the coordinated accomplishments of DHS, as well as joint efforts with other agencies. To this end, DHS is implementing a comprehensive, multiyear plan to secure the borders and reduce illegal immigration, called the Secure Border Initiative (SBI). DHS must quickly establish the organizational capacity to oversee, manage, and execute a program of this size and scope. Until the operational and contract requirements are firm, effective performance management, and cost and schedule control are precluded. Concurrently, CBP must increase the number of agents by 6,000 in less than 3 years. The rapid timeline presents risks in recruiting and training fully qualified agents and procuring the necessary infrastructure to support them.

### **Transportation Security**

The size and complexity of the transportation system, which moves millions of passengers and tons of freight every day, make it a difficult system to secure and an attractive target for terrorists. The Nation's economy depends on implementation of effective, yet efficient transportation security measures. However, since its inception, TSA has focused almost all of its attention on

aviation security. As part of its mandate, TSA had to recruit, assess, hire, train, and deploy Transportation Security Officers (formerly known as "screeners") for approximately 450 commercial airports, and provide 100% screening of all checked luggage for explosives.

### **Trade Operations and Security**

Trade operations and security are primarily the responsibility of CBP, although USCG and ICE also play important support roles. CBP has the mission of ensuring that all people and cargo enter

and exit the United States legally, while facilitating the lawful movement of goods and persons across U.S. borders. CBP's three major challenges in meeting its trade mission are the modernization of trade systems; risk management programs and efficient use of scarce resources; and partnerships with the trade and foreign customs offices. Additionally, CBP is challenged to ensure that it is maximizing its collection of approximately \$30 billion in duties, fines, fees, and penalties.



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**Delzura, California, December 5, 2007 – The electricians are connecting electricity to serve a family that will temporarily live in the FEMA – provided mobile home while they begin to rebuild. The family lost their home during the wildfires in October.**

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# Linking Our Work to DHS' Goals

Over the next 5 years, we will focus our resources on high-risk issue areas that are critical to DHS' successful fulfillment of its mission and goals. It is our goal to add value to DHS programs and to ensure the integrity of those programs and operations. As such, our future audits, investigations, and inspections will link directly to the Secretary's stated goals for the department, and the department's major management challenges, which are reported by our office annually.

Following each DHS goal listed below<sup>1</sup>, we list DHS programs, initiatives, and operational areas where we will plan work over the coming years to aid the department in fulfilling its expectations, and those of the Congress and the American people.

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## Goal 1: Protect Our Nation from Dangerous People

- SBI and Real ID Act
- Recruiting, Hiring, and Training of Border Agents
- Detainee Tracking and Removal
- Terrorist Watchlists
- Intelligence Systems
- Investigate Border Corruption and Immigration Fraud
- Investigate the Detention and Deportation of Criminal Aliens

## Goal 2: Protect Our Nation from Dangerous Goods

- Security, Immigration, and Trade Policies Along the Borders
- Cargo Container Security Initiatives (Screening/Targeting)
- Customs Trade Partnerships Against Terrorism
- TSA's Security Screening Procedures (Passenger and Baggage)
- Hiring and Training of TSA's Transportation Security Officers (i.e., Screeners)
- Biodetection and Defense Initiatives

## Goal 3: Protect Critical Infrastructure

- Catastrophic Disaster Preparedness
- Information Sharing and Analysis
- Public Private Partnerships to Identify and Protect Critical Infrastructure Structures and Key Resources
- Security of Cyber Infrastructure
- Gaps in Critical Infrastructure
- Maritime Safety and Stewardship

## Goal 4: Strengthen our Nation's Preparedness and Emergency Response Capabilities

- FEMA's Readiness to Respond to the Next Catastrophic Disaster
- FEMA's Section 406 Mitigation
- FEMA's Debris Removal Program

- FEMA's Temporary Housing Program
- FEMA's Management of Housing Assets (Proper Use, Storage, Maintenance, and Accountability)
- National Flood Insurance Program

## Goal 5: Strengthen and Unify DHS Operations and Management

- Information System Security
- IT Management
- Information Sharing
- Acquisition Management
- Grants Management
- Financial Management
- IT Systems Integration
- DHS Property Management
- DHS' Organizational Structure and Human Capital Planning
- Privacy

<sup>1</sup>DHS Secretary's stated 2008 goals.

## Linking Our Strategic Plan and Annual Performance Plan

This strategic plan is the foundation or blueprint for our annual planning process. The annual plan reflects our work priorities, resource allocations, and performance measures directly related to the goals and objectives in the strategic plan. This linkage should enable evaluation and scrutiny of our annual performance in meeting our long-term goals and objectives.

Each year, we develop and publish a plan of work we expect to accomplish during the fiscal year. Our annual plan details the specific projects and activities that the Offices of Emergency Management Oversight, Audits, Information Technology Audits, Investigations, and Inspections will undertake. This body of work is designed to be consistent with the mission, goals, and objectives outlined in this strategic plan. The projects included in our annual plan and the questions to be answered by these projects evolve from a variety of sources such as:

- Statutory requirements;
- Knowledge of departmental programs and activities, and related risk and threats to our Nation;
- Requests or suggestions from department management;
- Requests or concerns expressed by the Congress and OMB;
- New legislation, DHS organizational changes as outlined in the 2SR, and new system development efforts that warrant early involvement by our office; and
- Followup on our previous work to determine whether planned corrective actions were implemented and effective.



Marine Enforcement Officers respond to an incident at a port.

## Principles for Agency and Inspector General Collaboration

*The Inspector General Act* establishes for most agencies an OIG and determines its mission, responsibilities, and authority. The IG is under the general supervision of the agency head. The unique nature of the IG function can present a number of challenges for establishing and maintaining effective working relationships. The following working relationship principles provide some guidance for agencies and OIGs.

To work most effectively together, the Agency and its OIG need to clearly define what the two consider to be a productive relationship and then consciously manage toward that goal in an atmosphere of mutual respect.

By providing objective information to promote government management, decisionmaking, and accountability, the OIG contributes to the Agency's success. The OIG is an agent of positive change, focusing on eliminating waste, fraud, and abuse, and on identifying problems and recommendations for corrective actions by agency leadership. The OIG provides the agency and Congress with objective assessments of opportunities to be more successful. The OIG, although not under the direct supervision of senior agency management, must keep them and the Congress fully and currently informed of significant OIG activities. Given the complexity of management and policy issues, the OIG and the Agency may sometimes disagree on the extent of a problem and the need for and scope of corrective action. However, such disagreements should not

cause the relationship between the OIG and the Agency to become unproductive.

To work together most effectively, the OIG and the Agency should strive to:

**Foster open communications at all levels.** The Agency will promptly respond to the OIG requests for information to facilitate OIG activities and acknowledge challenges that the OIG can help address. Surprises are to be avoided. With very limited exceptions primarily related to investigations, the OIG should keep the Agency advised of its work and its findings on a timely basis, and strive to provide information helpful to the Agency at the earliest possible stage.

**Interact with professionalism and mutual respect.** Each party should always act in good faith and presume the same from the other. Both parties share as a common goal the successful accomplishment of the Agency's mission.

**Recognize and respect the mission and priorities of the Agency and the OIG.** The Agency should recognize the OIG's independent role in carrying out its mission within the Agency, while recognizing the responsibility of the OIG to report both to the Congress and to the Agency Head. The OIG should work to carry out its functions with a minimum of disruption to the primary work of the Agency.

**Be thorough, objective, and fair.** The OIG must perform its work thoroughly, objectively, and with consideration to the Agency's point of view. When responding, the Agency will objectively consider differing opinions and means of improving operations. Both sides will recognize successes in addressing management challenges.

**Be engaged.** The OIG and Agency management will work cooperatively in identifying the most important areas for OIG work, as well as the best means of addressing the results of that work, while maintaining the OIG's statutory independence of operation. In addition, agencies need to recognize that the OIG also will need to carry out work that is self-initiated, congressionally requested, or mandated by law.

**Be knowledgeable.** The OIG will continually strive to keep abreast of agency programs and operations, and Agency management will be kept informed of OIG activities and concerns being raised in the course of OIG work. Agencies will help ensure that the OIG is kept up-to-date on current matters and events.

**Provide feedback.** The Agency and the OIG should implement mechanisms, both formal and informal, to ensure prompt and regular feedback.

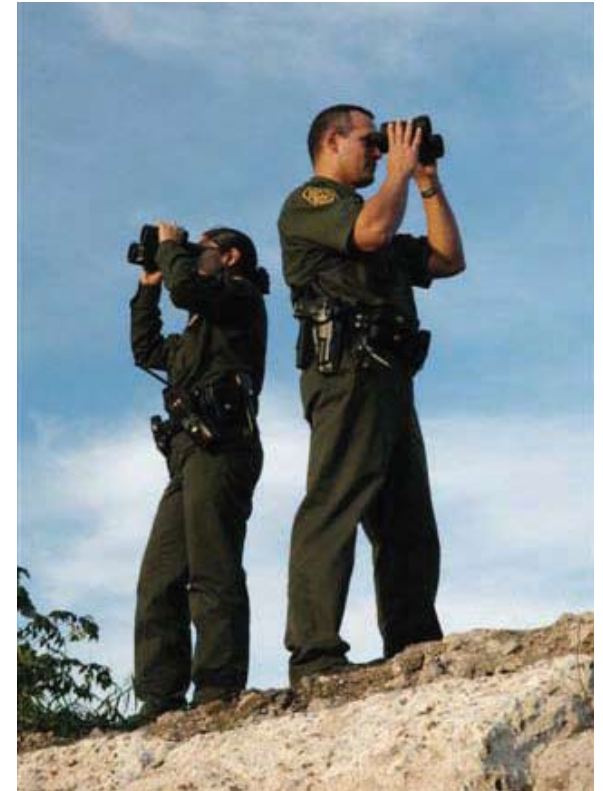
## Critical External Factors

The objectives and performance measures developed for this 5-year strategic plan will help ensure that we provide quality and timely products for the Secretary and the Congress. However, there are a number of external factors beyond our control that could affect our ability to achieve our performance goals.

The first challenge is the process of federal, state, and local governments working with the department to define existing and future vulnerabilities and the consequences resulting from another terrorist attack on the United States. As this process continues to unfold, we will be called on to conduct work to address many of the complex and sensitive issues confronting the department's mission to protect the homeland by protecting our fellow citizens, and securing our borders, airports, waterways, and our critical infrastructure. In addition to matters pertaining to protecting the homeland, we must also plan to dedicate resources to natural disasters—the frequency and magnitude of which are never known.

The second challenge is the availability of resources. For a department that was created by consolidating 22 disparate agencies and over 180,000 employees, our resources are being stretched with an ever-increasing workload and the corresponding challenges facing the department. With predictions of scarce resources in the future, as a result of the mounting federal budget deficit, limited funding would adversely impact our ability to carry out our statutory mission and responsibilities.

The third challenge that continues to affect our performance is mandatory requirements and statutory changes in legislation and regulations. Should the Administration or the Congress impose new or additional requirements on the OIG community without the accompaniment of required resources, the OIG's ability to achieve their goals and objectives would be greatly impaired. Requirements to perform unfunded mandates or special requests required by the Administration or Congress have an impact on available resources targeted for planned work.



**DHS Border Patrol Agents keeping watch.**

## List of Abbreviations

<b>2SR</b>	Second Stage Review
<b>CBP</b>	Customs and Border Protection
<b>CI/KR</b>	Critical Infrastructure and Key Resources
<b>DHS</b>	Department of Homeland Security
<b>FEMA</b>	Federal Emergency Management Agency
<b>ICE</b>	Immigration and Customs Enforcement
<b>IG</b>	Inspector General
<b>IT</b>	Information Technology
<b>OIG</b>	Office of Inspector General
<b>OMB</b>	Office of Management and Budget
<b>OPM</b>	Office of Personnel Management
<b>PL</b>	Public Law
<b>SBI</b>	Secure Border Initiative
<b>TSA</b>	Transportation Security Administration
<b>USCG</b>	United States Coast Guard







### **Additional Information and Copies**

To obtain additional copies of this report, call the Office of Inspector General (OIG) at (202) 254-4199, fax your request to (202) 254-4305, or visit the OIG website at [www.dhs.gov/oig](http://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](mailto: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.